EUROPE'S BUSINESS NEWSPAPER

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Friday September 6 1991

D 8523A

SOUTH AFRICA
Shell's winning way with the ANC
Page 9

World News

US charges six BCCI men with money laundering

The US yesterday indicted six Bank of Credit and Commerce International officials, a leader of Colombia's Medellin cocaine cartel and a London company, Capcom Financial Services. The indictments allege racketeering and laundering millions of dollars of drug money through BCCI.

Those indicted include former BCCI treasurer and present head of Capcom Syed Ali Akbar, who was arrested in France earlier this week. The US Justice Department is seeking his extradition. Page 16

Japanese arrest
Japanese public prosecutors arrested former Kyowa Saitama Bank official Kazuo Toyama over his alleged involvement in an illegal loans scheme. Page 16

Polish power struggle
Poland's government launched a two-pronged attempt to introduce economic legislation without parliamentary backing and to gain greater powers for the prime minister. Page 3

Liberia counter-attack
Fierce fighting was reported in Liberia. Soldiers from the army of Samuel Doe, the executed former Liberian president, invaded from Sierra Leone and clashed with troops supporting guerrilla chief Charles Taylor.

Cambodia flood aid
International donors are sending emergency aid to Cambodia, where the country's worst floods in 30 years have inundated farmland and made 150,000 people homeless.

China issues rebuke
China criticised three visiting US Congressmen, accusing them breaking the law by laying flowers in Beijing's Tiananmen Square to commemorate pro-democracy demonstrators killed in 1989.

Romanians seek ban
Romania's opposition National Liberal party presented a draft law to parliament asking for a ban on all communist and new-communist organisations. The move was aimed at preventing a Moscow-style coup.

Dutch traffic plan
Amsterdam is to have what the Dutch Transport Ministry says will be Europe's first car-pool lane to ease traffic congestion. The special motorway lane will be reserved for vehicles carrying at least three people.

Impermeable English
Japanese students anxious not to waste a moment for study can now buy a waterproof text book: "English Words for Learning in the Bathtub".

Diana Smith

A memorial service for Diana Smith, the former FT correspondent in Brazil and Portugal, who died in Madrid on August 23, will be held at 11 am on Monday at St George's Church, Rua da Estrela 4, 1200 Lisbon, Portugal. No flowers, but donations in her memory may be sent to the Cancer Prevention Research Trust, 36 Roehampton Vale, London SW15, UK.

Business Summary

Toyota seeks no-strike deal at new UK plant

Toyota, Japanese carmaker, has worried some UK trade union leaders with its proposal for what they regard as a no-strike deal for the company's new British plant in the Midlands. It also wants to delay pay talks until at least 1994.

Unions are concerned at the proposal for a "no disruption" deal under which disputes would be resolved by binding arbitration at the Acas conciliation service if they could not be resolved by negotiation. Page 16

GERMANY: Cuts in corporate taxes and a public spending squeeze were promised by German economics minister Jürgen Möllemann in response to concern by industrialists about the economy. Page 16

SALOMON Brothers: Standard & Poor's, US rating agency, followed Moody's Investors Service and downgraded the US securities firm because of the damaging effect the Treasury auction-rigging scandal was having on its financial position. Page 20

OCCIDENTAL Petroleum, California energy company, plans to sell its 51 per cent stake in IBP, largest beef and pork processor in the US, through a $360m rights issue to Occidental shareholders in a move to cut its heavy debts. Page 20

CANADA's foreign currency reserves rose 7.2 per cent last month to US$18.7bn, their second-highest level on record, helped by the popularity of the Canadian dollar. Page 4

INMOS, UK-based semiconductor manufacturer, acquired exclusive rights to manufacture and market IBM's new chips for generating personal computer graphics. Page 20

JAPAN plans to establish about 50 local committees responsible for handling applications by Japanese and foreign companies wanting to open large retail outlets after pressure from Washington to speed up the processing of such applications. Page 3

PANOCO Holding, Swiss-based parent company for Pan Ocean oil group, signed a $600m joint venture with Tatneft, petroleum administration of Tatarstan, Soviet Tatar autonomous republic, to develop seven oilfields with proven reserves of 1.59bn barrels of oil. Page 3

ROYAL Bank of Canada, the country's biggest financial institution, boosted net earnings by 13 per cent in the latest quarter to C$261m (US$229m). Page 20

BLUE CIRCLE, one of the world's biggest cement manufacturers, reported a 38 per cent fall in half-year pre-tax profits to £57.5m. Page 18; Lex, Page 16

OERLIKON-BUHRLE, Swiss industrial and armaments group which has been restructured over the past year, disclosed a first-half operating loss of about SFr200m ($131m). Page 18

INTERNATIONALE Nederlanden Group, newly formed Dutch financial services group, posted an 18.8 per cent increase in first-half net profit to Fl 746m ($382.5m) and forecast a "satisfactory" rise in full-year results. Page 18

Weekend FT

Tomorrow: The political secrets of John Major's power breakfasts

Why the Champagne price bubble is going to burst

Congress of People's Deputies clears way for republican power

Gorbachev wins backing for Soviet reform plan

By John Lloyd and Anthony Robinson in Moscow

CONSTITUTIONAL approval was yesterday given to a new era in the Soviet Union as the Congress of People's Deputies ended its three years of life and ushered in transitional bodies of power.

The new bodies will give the republics responsibility for maintaining – or destroying – what is left of the Union.

Agreement came grudgingly after Mr Mikhail Gorbachev, the Soviet president and chairman of the session, threatened to send the deputies home if they did not vote through a controversial clause in the law establishing the transitional structures.

The new clause lays down the size of the republics' representation in the revamped Supreme Soviet, the top legislative body.

The vote ensured a relatively rapid passage for the rest of the laws.

The result of the vote, said Mr Sergei Stankevich, former deputy mayor of Moscow and now a Russian state councillor, was that the union was now "half dead".

Mr Oleg Rumyantsev, chairman of the Russian social democrats, said that "at the end of the transitional period, either we will all be independent states or we will have some kind of federation."

It has also allowed Mr Gorbachev a life after both the coup and the end of the Communist party to which he had pronounced himself devoted for most of his life and which he killed off, apparently without regret, in order to stay in power in the post-Communist age.

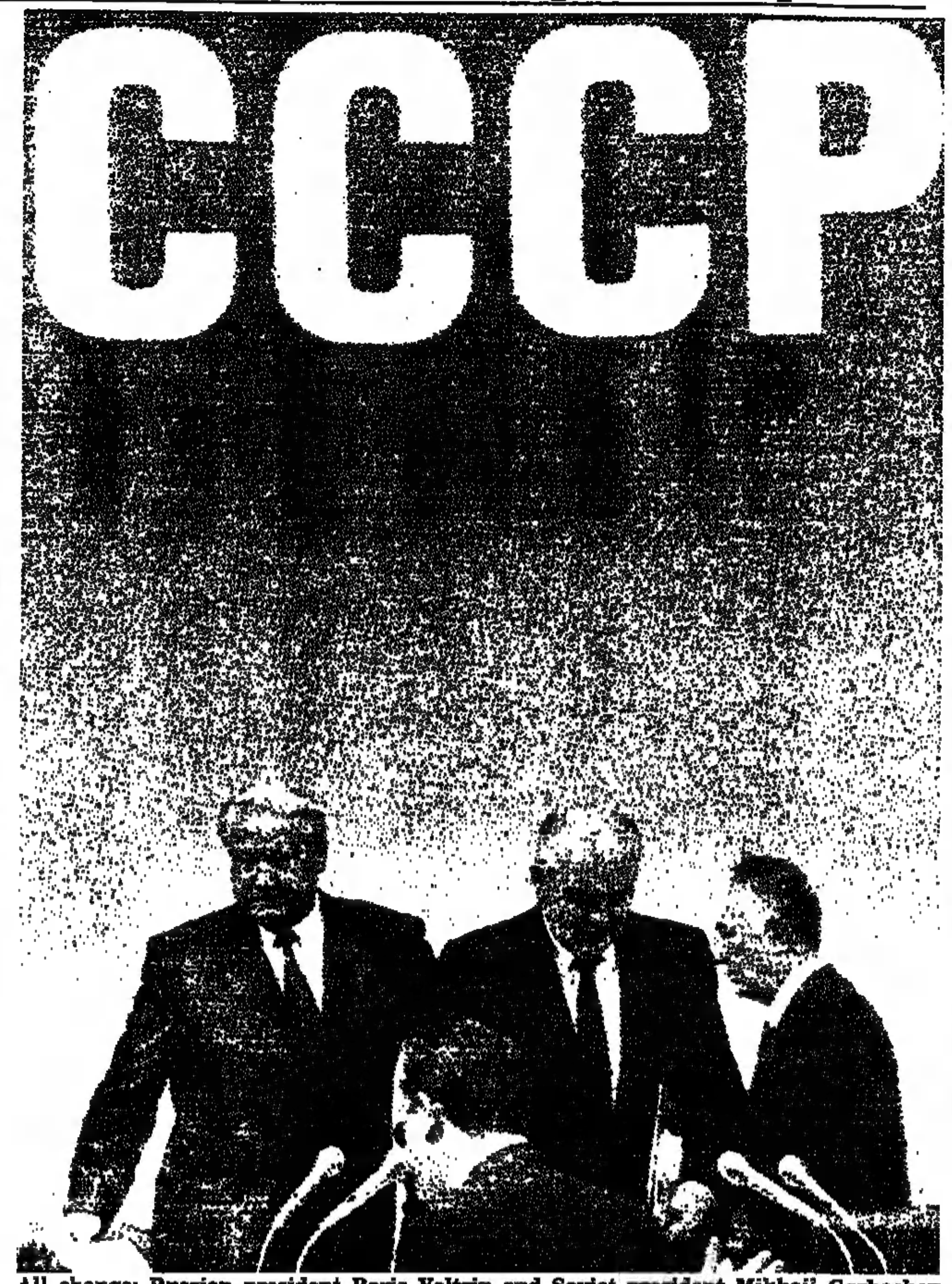
The new bodies of power are a State Council, composed of the Soviet president and the leaders of the participating republics (presently 10 of the 15, excluding the three Baltic states, Georgia and Moldova).

An inter-republican economic committee, still to be formed, will absorb the old union ministries and attempt to organise an economic agreement.

There will be a reformed Supreme Soviet, in which the upper house, or Council of the Republics, will contain 20 deputies from each republic – with 52 from the dominant Russian republic and one deputy extra from each autonomous republic or area.

Continued on Page 16

Trade chaos and analysis, Page 2; UK food aid, Page 7; Editorial Comment, Page 14;



All change: Russian president Boris Yeltsin and Soviet president Mikhail Gorbachev take their seats during yesterday's final session of the Congress of People's Deputies.

UK election fever grows as poll puts Tory party in the lead

By Philip Stephens in Hong Kong and Alison Smith in London

THE OUTBREAK of election fever in Britain spread yesterday when an opinion poll put the ruling Conservative party 4.5 percentage points ahead of its rivals.

Mr John Major, the prime minister, tried to dampen speculation over an autumn general election but refused to rule out entirely the possibility of a poll this year.

The survey, by Gallup in today's Daily Telegraph, shows the Tories on 39.5 per cent, with the Labour opposition on 35 per cent, the Liberal Democrats on 19.5 per cent, and other parties with a total of 6 per cent. A similar poll last month gave Labour a 5 percentage point lead.

The poll was taken before Wednesday's half a percentage point cut in interest rates which fuelled the current bout of election speculation. It is the first time since before Mr Major became prime minister that Labour's support has fallen from about 40 per cent.

Speaking in Hong Kong at the end of a tour which had also taken him to Beijing and Moscow, Mr Major repeated his determination to conclude agreements with Britain's European partners on economic and political union.

Those deals are due to be struck at the European Community summit in Maastricht in December and negotiations would be severely disrupted by a general election.

Referring to the speculation about election timing, he added: "I just hope that not too many people will take that almost inevitable day-to-day speculation too seriously."

Senior aides travelling with the prime minister said the timing of the interest rate cut had been dictated by the fall in inflation and by favourable market conditions and not by an election strategy.

The economy is expected to dominate the campaign and Mr Major's view is that although the recession has ended, a decisive upturn may not be apparent for six months.

Labour said the Gallup survey further emphasised recent polls' volatility, and contrasted it with one just three weeks ago which showed the party with a 9 percentage point lead.

Reassuring Hong Kong, Page 4; Analysis, Page 15

EC set to proceed with Yugoslav peace talks

By David Gardner in Brussels and Laura Silber in Belgrade

THE European Community intends to go ahead with its planned peace conference on the future of Yugoslavia in The Hague tomorrow in spite of the escalation in fighting, the Dutch presidency of the EC insisted yesterday.

The final decision on whether to proceed will be taken today, when EC foreign ministers meet in Brussels to discuss closer relations between the Community and eastern Europe.

Lord Carrington, who is to chair the weekend peace talks, called for an end to the fighting before the conference – the first of its kind to be held under EC auspices to discuss events outside the Community. He said leaders of the Yugoslav republics would not be able to talk sensibly about the future while fighting continued.

In Yugoslavia yesterday, Serb paramilitary units fired mortar rounds at Osijek, the capital of eastern Croatia, and other towns in the region, and the death toll in the last two days of fighting in the area rose to at least seven.

For a second day, Serb militants manned roadblocks which sealed off Osijek's population of 158,000 from the rest of Croatia, and forced the closure of the main motorway linking the Croatian capital Zagreb with Belgrade, the Serbian and federal capital.

In spite of the fighting, all the Yugoslav parties – including Serbia – have now accepted their invitations to the conference, the Dutch presidency said.

EC diplomats yesterday made clear their expectation that the political head of steam which had led – at Tuesday's foreign ministers' meeting in The Hague – to the clear majority among the Twelve for an early peace conference, would still be evident today.

The Dutch, who currently hold the EC presidency, supported by the UK, had argued on Tuesday that EC monitoring of the ceasefire agreed last weekend would need to be effective to make a conference feasible.

But the majority, grouped around Germany, Italy and France, prevailed with the view that any delay would dissipate the political momentum for settlement.

It was privately expected that further violence would precede the conference, as both the Serbs and Croats sought to reinforce their bargaining positions.

Increasingly strident German threats to recognise the independence of Croatia and Slovenia unless talks go ahead have strengthened the likelihood that the conference will open tomorrow. EC diplomats are angry about Germany's departure from the agreed position of the Twelve.

Eastern approaches, Page 14

Thomson-CSF moves new missile production to Europe

By William Dawkins in Paris

THOMSON-CSF, the French state-controlled defence electronics group, is to move production of its newest ground-to-air missiles from the US to Europe.

Thomson is producing the missile in co-operation with its former rival Euromissile, the consortium of French state-owned Aérospatiale and MBB, the German aerospace group.

This could presage closer co-operation in other areas between Euromissile and Thomson-CSF.

Between them, Thomson and Euromissile hope to make 60 per cent of the short-range ground-to-air missiles sold outside the Soviet Union.

The missile concerned is the VT1, a short-range weapon which is much faster than existing missiles of its type.

The move is a response to hard-pressed defence ministries preferring refits of existing missile systems instead of ordering new ones, officials said.

"We are not merging all our missiles activities. We are just making an economic accord for this programme," said Mr Noële Clavelloux, director of Thomson's missiles systems branch. Thomson was prepared to increase co-operation with Euromissile step by step on a "pragmatic" basis.

The VT1 has been made by the defence division of LTV, the ailing US steel company, which has produced 1,000 examples for Thomson.

The French defence group asked LTV to develop the VT1 missile for it five years ago, for sale on the US market and to sell as a new generation of its own Crotale missiles, also marketed as the Shahine in the Middle East.

Euromissile will split production of the VT1 equally between France and Germany, for use in its Roland ground-to-air missile systems and for Crotale, formerly Roland's main competitor.

The VT1 can be fired from existing Crotale and Roland launchers, a cheap way of updating both systems.

The partners refused to divulge the price of the VT1, although Mr Jean-Louis Fache, director of Aérospatiale's tactical missiles division, estimated the potential market, the replacement of the 25,000 Rolands and 6,000 Crotales now in service, could be worth FFr30bn ($5.1bn).

Of that total, the VT1 could hope to account for 20,000 replacements, depending on how fast defence ministries chose to update ground-to-air systems.

The move follows Euromissile's decision last July to postpone indefinitely plans for a replacement for the Roland system for which it had placed a development contract with Matra, the space, telecommunications and transportation group.

Six months ago Thomson also signalled a change in policy by abandoning plans to pool its missiles business with British Aerospace in what would have been a formidable competitor for Euromissile.

Analysis, Page 17

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EC urged to prepare for wave of approaches from the east

The EC is piling up political and moral commitments from the Balkans to the Baltic. External Affairs commissioner Frans Andriessen (left) believes the Community should now consider adapting to cope with 24 member states
Page 14

MARKETS

STERLING
New York lunchtime:
$1.6925
London:
$1.692 (1.694)
DM2.945 (2.9425)
FFr10.0025 (9.995)
SFr2.585 (2.5825)
Y230.0 (229.5)
£ index 91.0 (same)

GOLD
New York: Comex Dec
$351.4 (353.0)
London:
$347.5 (349.0)

N SEA OIL (Argus)
Brent Oct
$20.125 (−0.05)

Chief price changes yesterday: Page 17

DOLLAR
New York lunchtime:
DM1.739225
FFr5.908
SFr1.5265
Y135.88
London:
DM1.74 (1.7365)
FFr5.9075 (5.9)
SFr1.5275 (1.525)
Y135.85 (135.45)
$ index 65.3 (65.2)
Tokyo close: Y135.32

US lunchtime rates
Fed Funds: $5\frac{11}{16}$%
3-mo Treasury Bills: 5.46%
Long Bond: $100\frac{7}{16}$
yield: 8.07%

STOCK INDICES
FT-SE 100:
2,663.3 (−1.3)
FT Ordinary:
2,092.5 (−1.7)
FT-A All-Share:
1,280.53 (+0.64%)
New York lunchtime:
DJ Ind. Av.
3,005.14 (−3.36)
S&P Comp
388.93 (−1.04)
Tokyo: Nikkei
22,499.65 (+96.96)

LONDON MONEY
3-month Interbank:
$10\frac{5}{16}$ ($10\frac{3}{8}$)
Liffe long gilt future:
Dec $94\frac{19}{32}$ (Dec $94\frac{13}{32}$)

THE SOVIET UNION

Marching to new orders: destination unknown

John Lloyd looks at the future for the Union's transitional bodies of power, now the People's Deputies have been bullied into acquiescence

THE Congress of People's Deputies went into oblivion yesterday without much spirit, either of revolt or of joy, easily bullied into acquiescence by Mr Mikhail Gorbachev, who has lost little of his skill.

Though it voted to set up transitional bodies of power, it had been a transitional body itself – existing in the change-over from the centralised Soviet system, dominated by the Communist party, to the new era which now begins.

Mr Sergei Stankevich, a Russian state councillor, graciously acknowledged that it was in the Congress that he and other democrats had received their early training as politicians. Yet "I don't regret its passing," he said, "indeed, I'm glad it's passed."

The historically minded among the deputies recalled January 5 1918, when Lenin's Bolsheviks, frustrated by the impossibility of getting the Constituent Assembly (the then parliament) to confirm their power, confirmed it themselves by locking out (and later locking up) the recalcitrant deputies.

Mr Gorbachev had made it clear that if the Congress did not vote for the new order, it would be decreed into place by himself: it did smack a little of Lenin.

The new structures of power have yet to be created, but their most urgent tasks are obvious.

First, the winter must be prepared for. As he came out of the hall yesterday, Mr Nikolai Ryzhkov, the former prime minister, talked with foreboding of the coming months.

The Soviet Union needs 100m tonnes of grain: so far, only 25m-27m tonnes have been gathered. "We might get 40m – but where does the rest come from? From abroad – but where's the hard currency?"

This is the prime task of all levels of government – inter-republican, republican, city and districts.

Schoolchildren, students, army personnel, pensioners and other workers are being wooed out to the country to gather in the harvest.

The farmers are being cajoled into selling with promises of higher prices (some in hard currency) and machinery and consumer goods.

Effecting these promises will need co-ordination. The machinery is made in one republic, but needed by many. It is not clear who will decide the priorities, nor whether inter-republican agreement can prevent the de facto creation of borders to stop republican produce going elsewhere – a process which has already started.

Second, an economic agreement must be signed. At least 10 of the republics agree on this – but their agreement is in principle, not on details.

The version of such an agreement proposed by Professor Stanislav Shatalin – apparently backed by Mr Ivan Silayev, the Russian prime minister, who chairs the Committee for Management of the Economy – though loose, enjoins common monetary policies and a single currency.

At present, although the centralised system is supposed to prevail, it does not. Republic central banks give unrestrained credit and some republics are planning to introduce their own currencies.

In order to get an effective economic agreement, republics will have to give up "freedoms" that they have already taken.

Third, an agreement must be reached on a new Union treaty.

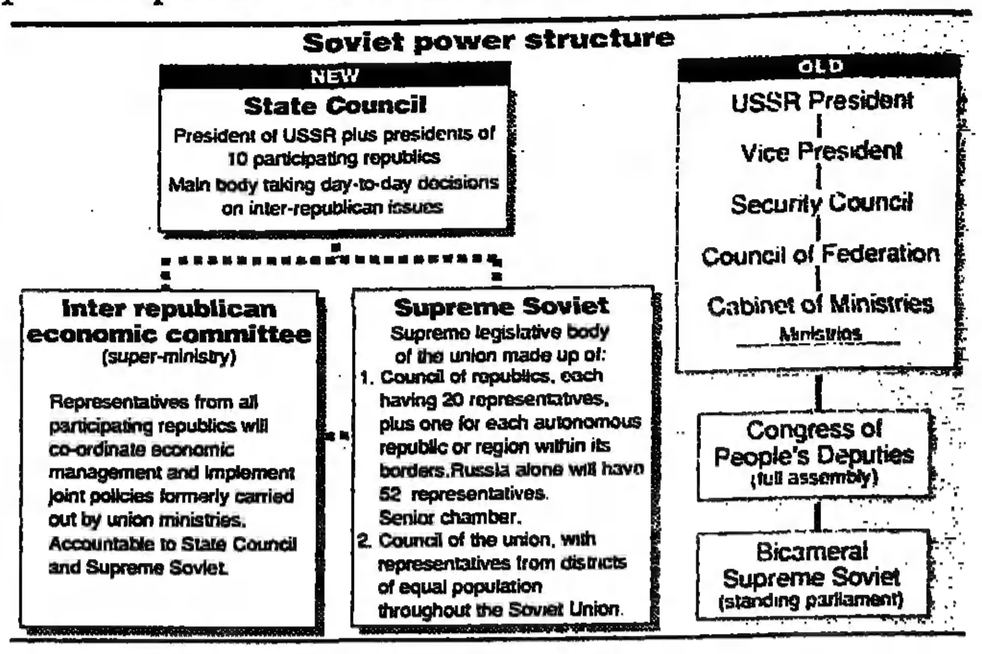
Mr Yevgeny Primakov, Mr Gorbachev's close aide, said after the Congress that he believed such an agreement would be signed.

Mr Stankevich believes the same: "It is the rational thing for the republics to do, after an economic agreement is working." Rational it may be, but there are forces other than reason at work.

The republics have all declared independence and each of their parliaments will be considering any agreement. In this process, factors such as nationalist emotions and resentment against decades of Soviet/Russian rule are likely to come into play.

The elites of the republics are also now facing the dazzling prospect of having independent ministries, departments and foreign embassies.

In addition to this, they will also be adopting constitutions – which will take time. Only when this process is complete, and only if the economic facts of life then dictate to the republics that they need to pool sovereignty in order to survive, might they be in the mood for a new union.



Mr Boris Pankin: condemnation of coup attempt won him the job of foreign minister

New foreign minister favours co-operation and pragmatism

By Leyla Boulton in Moscow

THE first public appearance by Mr Boris Pankin, the Soviet foreign minister, yesterday coincided with the birth of a new Soviet Union.

Mr Pankin, who looks at least a decade younger than his 60 years, said that from now on foreign policy would be determined jointly with the republics forming the new-look union approved by the Soviet super-parliament yesterday.

"The foreign ministry ... will undergo certain changes," he said. "We will work in organic contact with the ... states which join our union."

Mr Pankin, a former editor of the Communist newspaper, Komsomolskaya Pravda, was until last week Soviet ambassador to Prague. But his immediate condemnation of the coup launched by senior government ministers on Monday August 19 won him the job of foreign minister to replace Mr Alexander Bessmertnykh, who was accused of being too quiet that day.

Mr Pankin said the defeat of the abortive coup was not only a victory for the people and the Russian leaders who resisted the putsch, but a victory for "international solidarity".

Given the radical change in the job description since the coup collapsed and the discredited old centre was forced to cede political supremacy to the republics, it seems quite fitting that a new man, of obvious calibre, should fill the job.

Although he was wearing a smart, almost flamboyant, double-breasted suit, his manner conveyed an opposite message of soft-spoken modesty and caution.

His answers were clear and to the point. He politely side-tracked questions he could not answer. When asked how the Soviet Union's Middle East policies would be affected by the changes, he said the question was good but went into a lengthy explanation of how policy would have to be worked out with the new sovereign Soviet states.

He said he looked forward to meeting Mr James Baker, the US secretary of state, next week but declined to say whether he would be seeking economic assistance.

Minister offers reassurance on N-arms

By John Lloyd in Moscow

MARSHAL Yevgeny Shaposhnikov, the new defence minister, yesterday again sought to reassure world opinion that the rapid drain of power away from the central government in the Soviet Union did not mean a loss of control over the Soviet nuclear forces.

"Nuclear weapons are under secure control. Even during the putsch, they were not accessible to anyone. Now, we have increased control over them many times. I ask you [the media] to calm down a world public," he said.

The minister gave no details, however, either of the control of the nuclear trigger during the coup, or of the increased control since.

He also said the Soviet military was moving in the direction of a professional army, though it was not yet ready to give up the draft.

Repeating his promise to shorten the two-year term of conscription Marshal Shaposhnikov said that conscripts would be offered a contract for further service of three to five years as professional soldiers, at full rates of pay, provided they were willing to serve anywhere in the Soviet Union.

This condition appears to mean that enlisted recruits will be allowed to serve in their own republics, which was one of the demands of some republican leaders before the coup.

The minister hoped that relationships with the west would be "widened and deepened", and admitted that he "had a dream" that junior officers and ordinary soldiers, as well as senior officers, would participate in exchange visits with western countries.

He had "taken an oath to himself" that the armed forces would never be used against the people while he was minister.

They would not guard republican borders, or interfere in the internal affairs of any republics, and would only guard installations at the express request of republican authorities.

The military would lease its land and hire out its trucks to earn money for its upkeep, he said. The "special departments" in the army, in which secret service agents kept watch on the soldiers, would be removed in consultation with Mr Vadim Bakatin, new chairman of the KGB.

Baltic gold tarnishes images

Kenneth Gooding reports on an issue embarrassing the UK and Sweden

EMBARRASSED politicians in Sweden and the UK are playing for time in the face of increasing pressure by the Baltic states for the return of gold they had on deposit in western banks in 1940 at the time of the Soviet takeover.

Their embarrassment is heightened by the fact that France already has given back gold claimed by the Baltics and the US has indicated it will probably do the same.

Unlike Britain and Sweden, the US did not hand the precious metal over to the Soviet Union but used it to keep the legations and consulates of the three Baltic states in New York and Washington.

While the amounts involved are tiny in gold market terms, the value to the three countries is enormous because the metal would provide credibility when they relaunch their own currencies. Most of the Baltic gold, nearly 14 tonnes of it with a value today of about $146m (£86.3m), was in the UK. France returned 3.2 tonnes of gold, worth about $36m at today's price; about three tonnes were held in Sweden and are now worth $33.5m.

In the US the Baltic gold was placed under the control of the Office of Frozen Foreign Assets which said yesterday it was unable to provide details of the original amount or how much was left but was "working on it". However, the Bank of Estonia suggests that it deposited about 4 tonnes of gold – now worth $45m – in the US.

The issue is reviving some painful memories in Sweden because it was the second country – after Nazi Germany – to recognise the Soviet regime occupying its Baltic neighbours. The Baltic gold was handed over to the Soviet Union in May 1941 as part of that recognition process in the expectation that Sweden would then regain control of its assets in the conquered countries.

Under the Wilson government Britain sold the Baltic gold in 1967 for £5.8m to settle some of the debts it claimed were due from the Soviet Union and distributed the proceeds to claimants in the UK and overseas.

Sir Frederick Bennett, vice-president of the Baltic Council of the UK, says members of all UK political parties regarded this "as a very shady deal".

The gold was held in trust, he says. "I don't doubt we did something which we knew was wrong and we did it because we never expected to be held to account because the then commonly held view was that the Baltic states would never exist again."

The Baltic states are taking every diplomatic opportunity to make their point.

Mr Lennart Meri, the Estonian foreign minister, raised the subject in Stockholm last week when he held talks with his Swedish counterpart, Mr Sten Andersson, on restoring diplomatic relations between the two countries.

This week Mr Douglas Hogg, the UK's foreign office minister leading the first British diplomatic delegation to Lithuania for more than 50 years, was also pressed hard about the gold but remained evasive. "We haven't any firm proposals but we want to be constructive," he said.

He suggested that, when Lithuania sends a technical team to London soon, it should discuss the gold question with the UK government's legal advisers "to see if we can find a solution which is acceptable to Lithuania and ourselves".

Such prevarication will not satisfy UK supporters of the Baltic states who intend to put as much moral and political pressure as possible on the Foreign Office to have gold returned as compensation in the shortest possible time.

Gorbachev 'endorses Baltic independence'

PRESIDENT Mikhail Gorbachev has endorsed a presidential decree recognising Baltic independence, according to a Lithuanian official who helped draft the decree along with other Baltic representatives, Gillian Tett reports from Vilnius.

Speaking on his return to Vilnius from Moscow, Mr Algis Cekuolis, Lithuanian observer at the Soviet Congress of People's Deputies, said Mr Gorbachev had asked the Baltic observers to draft a presidential decree recognising their independence.

After some modification from Mr Alexander Yakovlev, adviser to Mr Gorbachev, the president then endorsed it, Mr Cekuolis said.

Mr Boris Pankin, the new Soviet foreign minister, said yesterday that the State Council, the country's main new decision-making body, would discuss the issue of Baltic independence today, but he would not predict the outcome.

According to an early version of the document, leaked yesterday to the Lithuanian parliament, the decree condemns the 1939-40 Soviet annexation of the Baltics as illegal and recognises the independence of the three Baltic states "under international law".

It also accepts existing Baltic borders as inviolable and calls for the Soviet Ministry of Foreign Affairs to establish diplomatic relations with the three Baltic republics.

The document was initially greeted with scepticism from Lithuanian officials.

But Mr Cekuolis insisted Mr Gorbachev was prepared to endorse the decree. He said the president had delayed decisively settling the issue at the Congress because he feared the decree would be blocked by conservative deputies.

Even if he issues a decree, few Lithuanians expect the political and legal details of full independence to be settled soon. As the old central government structures dissolve there is doubt about which bodies have the authority to implement Baltic independence, or what weight a decree now carries.

Lithuanian leaders say they will not accept a presidential decree that simply recognises their independence without providing a guarantee and timetable for withdrawal of Soviet troops.

Protesters demand resignation of hardline Georgian president

CROWDS demanding the resignation of Georgia's autocratic president, Mr Zviad Gamsakhurdia, gathered yesterday as the republic's parliament closed almost all Georgian-language newspapers, AP-DJ reports from Tbilisi.

A resolution of the presidium of the Georgian parliament said it was necessary to close the newspapers "in view of an acute shortage of paper resources", the Tass news agency reported.

But opposition groups and local journalists said the move appeared to be aimed at giving the Georgian government greater control over the local media.

Ms Irina Sarishvili, spokeswoman for the National Democratic Party of Georgia, said in a telephone interview that the demonstrators were demanding the resignation of Mr Gamsakhurdia and his government, and new elections. Her party alleges that Mr Gamsakhurdia sympathised with hardliners during last month's abortive coup.

The party is also protesting against Georgian police whom they claim opened fire on anti-government demonstrators on Monday. Mr Gamsakhurdia accused the protesters of being "Kremlin agents" and firing first. Estimates of the number injured ranged from five to 30.

Mr Gamsakhurdia, a fierce Georgian nationalist, easily won presidential elections in June, and his republic declared itself independent from the Soviet Union before the attempted coup.

● The Crimea declared "independence" yesterday but made clear it was not breaking away from the republic of the Ukraine, Tass reported. The region's parliament voted to become an autonomous and independent republic within the Ukraine, which itself has declared independence.

Business head rejects aid

By Anthony McDermott

THE chairman of a new Soviet business organisation yesterday called for closer trade co-operation with the west rather than aid as the means to improve the country's troubled economy.

Mr Andrei Konovalov, head of the non-governmental interim Inter-Republican Economic Committee, said aid in the form of cash and advice – the UK government has proposed help in food production, distribution and storage – was not the answer.

Speaking in London after talks with the Confederation of British Industry, he also called for relaxation of restrictions by Cocom, the Paris-based Co-ordinating Committee for Multilateral Export Controls, on strategic materials.

Cocom was established in 1949 to curb the export to the Soviet Union and its allies of goods which could be used for military purposes.

Calm returns after bank's nightmarish week

Leyla Boulton talks to Yuri Moskovsky, the chairman at the centre of the drama

IT HAS been a relatively quiet week at Vneshekonombank, the State Bank for Foreign Economic Affairs, which handles most of the Soviet Union's foreign payments and services the country's $62bn (£37bn) external debt.

Until last week, this mighty institution was in the clutches of a bankers' nightmare, which began on August 19 when the country's own government staged a coup d'état. In the days that followed, Vneshekonombank was treated like a pariah by its foreign partners, the bank's chairman was replaced but then reinstated, and finally the bank itself was hijacked by Mr Boris Yeltsin, the Russian leader, before being set free in a panic.

Mr Yuri Moskovsky, the chairman at the centre of the drama, said yesterday with a relieved smile that the only pressures on him now were "ordinary ones related to calculations and payments".

"I have been officially confirmed in my duties. We have a document signed by (Mr Ivan) Silayev, chairman of the committee responsible for running the economy, that confirms both my duties and those of the bank...The bank today is functioning as it should."

In a move which alarmed the western banking community, both he and Mr Viktor Gerashchenko, chairman of the central bank, were temporarily replaced last month by Russian Federation officials because of suspicions that they had collaborated with coup leaders. Both reject the allegations.

Mr Moskovsky, who rushed back from a business trip to France the day the self-proclaimed emergency committee announced it was taking power, said his first duty was "not to allow any disruptions to the work of the bank".

"As soon as they heard that a coup d'état had started, most banks sharply cut back, practically cut off operations with us. There were some days when there weren't even any quotations for our offers. (But) We continued to fulfil our obligations both towards our foreign partners and our own banks, despite the dramatic nature of political events."

After the coup collapsed, Vneshekonombank received a second blow. This was in the form of a decree issued by Russian President Boris Yeltsin, declaring that Vneshekonombank, along with the central bank and finance ministry could carry out foreign currency transactions only with the approval of the Russian Federation.

Mr Moskovsky and his colleagues feared that Vneshekonombank might be forced to default on its obligations since it amounted to a change in the bank's status. This is because some creditors reserve the right to call in their loans if such a change takes place.

But Mr Valery Telegin, the Russian Foreign Trade Bank chairman who had been nominated to stand in for him, returned to the bank with a document granting Vneshekonombank a general authorisation to conduct its operations as it saw fit. Mr Telegin had managed to convince Mr Yeltsin that the Russian Federation takeover also put it in danger of becoming liable for all Vneshekonombank's obligations.

Now that the Soviet Union has agreed to restructure itself into a genuine confederation and several republics are seeking independence, Mr Moskovsky is open-minded on how the republics should share out the country's foreign currency resources, and repay the foreign debt. "The form is not important. The important thing is that there should be an instrument allowing the diversion of part of the country's foreign currency earnings to servicing the foreign debt."

Mr Moskovsky is more conciliatory. "I think all republics clearly understand that entering the world community is not possible without fulfilling these obligations. The main task is that everything we received from banks of other countries must be paid back."

Asked whether the Soviet Union was now formally seeking to reschedule its debt, the 49-year-old banker again displays the caution and solidity which are his hallmark.

He says that he is not personally conducting any talks on this subject, but acknowledges that the debt repayments due this year and next are putting "serious pressure" on the economy at a time of turmoil.

His job in the mean time is "to do everything to manage situation: we are paying". He has also been told by the committee which is managing the economy to pursue a search for additional credit lines to help meet the country's needs for hard currency – to repay the debt, and import food, medicine, and basic consumer goods.

He believes the bank should aim to revert to its old status as a joint-stock bank. Paradoxically, until it was turned into a state bank in 1987, it was the Soviet Union's only joint-stock institution.

But again he stresses the need for caution, since such a reform would itself represent a change in the bank's status, in turn possibly violating agreements with foreign creditors.

NEWS IN BRIEF

Soviet chaos threatens 'Energy Charter' talks

THE turmoil in the Soviet Union, the world's largest oil producer, has thrown a wrench into talks among 35 nations to form a pan-European energy trade and investment zone, officials said yesterday, AP reports from Brussels.

The talks for a European "Energy Charter" began in July and are to restart here on September 25 when a working group reconvenes after the summer break. But sources said that it was uncertain whether the Soviet Union would be represented through its central government or the republics.

Brittan's 'community' vision

Disintegration of the Soviet Union could lead to its member states joining together in a new association similar to the European Community, Sir Leon Brittan, vice-president of the EC Commission, suggested last night, writes Ivor Owen.

He said the 12 members of the EC would be performing "a historic task" if they helped to bring about such a development. Sir Leon told a meeting of Surrey, south-east England, business leaders that there would be a real danger of economic breakdown if the republics did not pull together.

Germans announce aid mission

Mr Jürgen Möllemann, the German economics minister, said yesterday he planned to travel to Moscow for the third time this year to discuss bilateral aid for the Soviet Union with the country's new team of economics experts, Reuter reports from Bonn. He repeated Bonn's calls for concerted international aid to the country, noting that Germany had already pledged and given more than DM60bn (£20.4bn) of aid.

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EUROPEAN NEWS

Polish prime minister seeks greater powers

By Christopher Bobinski in Warsaw

THE Polish government will today embark on a two-pronged attempt to introduce economic legislation without parliamentary approval and to grant greater powers to the prime minister.

If the prime minister, Mr Jan Krzysztof Bielecki, succeeds in pushing the measures through, the executive will be strengthened at the expense of a considerably weakened legislature. A stronger executive would boost President Lech Walesa, who has the power to nominate the prime minister.

The government and the president want the extra powers, first to continue economic reforms during the forthcoming election campaign, and for a period after, when the new parliament is still finding its feet.

The country's first free elections will take place on October 27.

Second, they want to introduce sharp cuts in the budget. Because of the recession, the collapse of trade with the Soviet Union and disappointing revenue from privatisation, the budget deficit has risen six-fold.

But the communist-dominated parliament now faces an election and so is loath to agree to the cuts. Agreement with the IMF is contingent on the budget.

● Mr Wladyslaw Golebiewski, a senior executive at the National Bank of Poland, has been named temporary chief debt negotiator by the Warsaw government.

Usinor to cut jobs

By William Dawkins in Paris

USINOR Sacilor, the world's second-largest steelmaker, yesterday warned that it would seek "several thousand" job losses over the next three years to keep productivity gains in line with its main competitors'.

The management of the French state-owned group will present the plans to unions in early December, but it was too soon to predict the exact number of job losses or whether it would be possible to avoid redundancies, said an official.

Like other European steelmakers, Usinor Sacilor has already shrunk its workforce drastically in recent years, from 150,000 to 66,000 in France alone over the past decade. However, if Usinor Sacilor is to follow the world steel industry's average 3 per cent-a-year improvement in productivity and if steel demand remains weak, this implies further heavy job losses, said the official. No final calculations had been made, but they could be in the order of 2,000 a year.

Usinor Sacilor's profits halved last year to FFr3.7bn ($620m) because of a fall in demand and prices. The group is expecting a further earnings decline this year.

Call for tighter regulation

REGULATION of the Frankfurt Stock Exchange must be tightened to avoid the impression of frequent price manipulation, Mr Ernst Welteke, the State of Hesse's economics minister, said yesterday, Katharine Campbell reports from Frankfurt.

He was giving the first indication that Hesse, which is responsible for oversight of the Frankfurt bourse, is to act in the wake of a local trading scandal. The minister suggested a first step would be to increase the presence of state officials on the bourse. The self-regulation system favoured by German banks has meant state officials have hitherto kept a low profile.

Uphill battle to tighten biological weapon controls

It may be impossible to devise effective verification, reports David White

A SCIENTIST at Britain's Chemical and Biological Defence Establishment (CBDE) at Porton Down in Wiltshire waves a small bottle of cloudy liquid. It contains micro-organisms used to simulate *Francisella tularensis*, a bacterium which causes a disease called tularemia. It is usually spread by rodents but could be sprayed as a weapon. In that bottle, he says, there would be enough minute particles to infect every person on the planet.

The threat of biological warfare, the subject of an international conference starting in Geneva next week, has been underlined by the recent UN inspection of facilities in Iraq, where substances including tularemia bacteria were found.

It is the potency of biological agents that causes the most alarm and the most attraction for potential producers. Despite allegations, there have been no substantiated cases of biological arms being used, and there is little information about which countries have them. But about 10 are believed either to possess or to be seeking to acquire them. "Unless we take action at the review conference, that number will go on increasing," warns Dr Graham Pearson, CBDE director-general.

It will be the third review of the Biological Weapons Convention signed in 1972 and will focus on ways of tightening the ban on production.

A CBDE expert, Dr David Kelly, headed the UN team that went last month to inspect the bombed Iraqi complex at Salman Pak, south of Baghdad. The Iraqis said they had undertaken research on the micro-organisms that produce botulism, gas gangrene and anthrax.

No actual weapons or weapon-making equipment were found. But Dr Kelly says key facilities were removed shortly before the team arrived. "It became quite obvious they were undertaking research for offensive purposes," he says. Additional substances including brucellosis bacteria were found. Another inspection is due to be made shortly.

Experts are concerned that countries with chemical weapons may be moving to biological weapons. As microbiology advances, more nations will become capable of doing so.

Biological warfare is defined as the dissemination of micro-organisms to carry lethal or incapacitating diseases, or to destroy domestic animals or food crops. The term is used to cover both biological agents able to reproduce themselves and toxins or poisons.

The 1925 Geneva protocol outlawing the use of chemical weapons also banned "bacteriological methods of warfare". The 1972 convention went further to forbid development, production or stockpiling of biological or toxin weapons. But it did not address the possession of production facilities and made no provision for checking on compliance.

The potential threat ranges from common viruses and bacteria such as mumps, chickenpox, cholera or typhoid, through more exotic ones such as dengue fever, for which there is no specific therapy, to new products of genetic engineering.

With new substances, the distinction between chemical and biological weapons is becoming less clear. One problem in policing a ban is that only small quantities are required. According to the Stockholm International Peace Research Institute, substances such as black widow spider venom or strychnine require a smaller lethal dose than first world war chemical gases such as chlorine and phosgene. Others such as botulinus toxin, anthrax or plague are several thousand times more toxic than modern nerve gases.

Of most concern are aerosol weapons, spraying small particles that can penetrate the lungs. Experts say these have more obvious military use than, for instance, trying to poison water supplies, which even with a potent toxin, would require large amounts to have lethal effect. Sprayed, a small amount could cover hundreds of square miles. However, aerosol agents must be stable in storage and resilient.

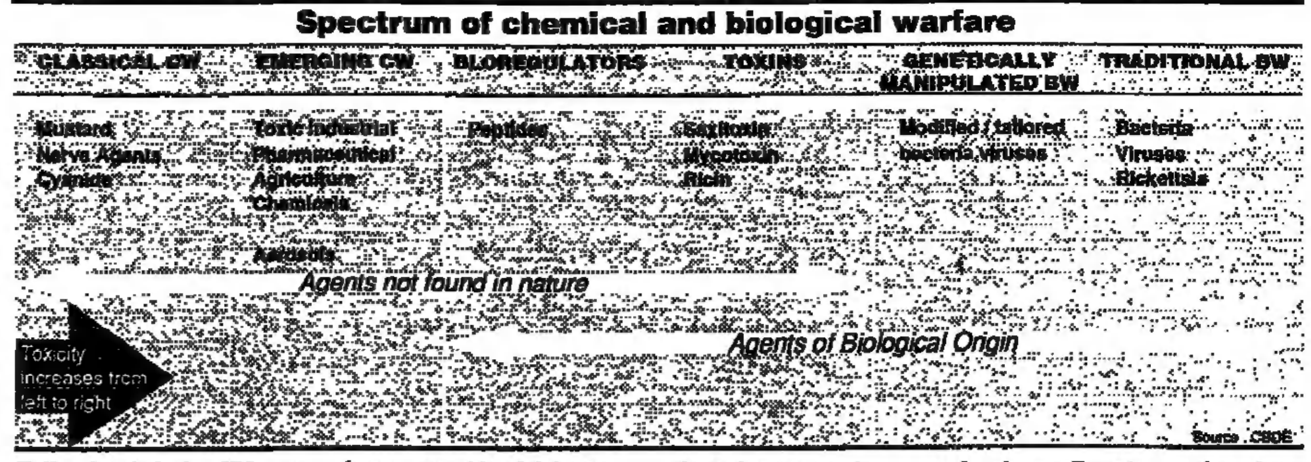
Anthrax, once known as "wool-sorters' disease", is exceptionally resistant and therefore favoured as a potential weapon. Britain carried out an anthrax experiment in the second world war on Gruinard Island off Scotland, and public access remained prohibited until last year. The Soviet Union is considered never to have provided a satisfactory explanation for an anthrax outbreak at Sverdlovsk in the Urals in 1979. In the Gulf conflict, both US and British troops were vaccinated against the disease.

Western countries have been discussing the introduction of new confidence-building measures at the Geneva conference. The UK wants to extend the requirement for countries to declare some categories of laboratory, including civilian facilities working on the most hazardous micro-organisms. An experts' meeting in 1987 called for declarations, but so far only about 40 of 117 signatories to the convention have complied. Measures are also being sought against proliferation, but proposals for monitoring exports are expected to meet resistance from some non-aligned countries.

One of the main challenges is finding ways of preserving "defensive" research such as the CBDE carries out, including vaccines, while strengthening the ban on weapon-making processes. Part of the work is the same in both cases. The UK is proposing an experts' group to look at the scope for inspection of declared and suspect facilities and investigation of incidents such as Sverdlovsk. But a UK official warns: "It will not be easy, and indeed may not in the end be possible to devise an effective verification regime."

But Dr Pearson at the CBDE hopes a combination of verification measures, export controls and defensive precautions can create a "web of deterrence".

Spectrum of chemical and biological warfare



Bildt tipped to end socialist domination of Swedish politics

MR Carl Bildt, Sweden's Moderate party leader, is increasingly likely to be his country's next prime minister, Robert Taylor reports from Stockholm. With only 10 days to go before Sweden's general election on September 15, his self-confidence was boosted yesterday by the latest opinion poll, which suggests the non-socialist parties will win with 58 per cent of the vote between them.

"I don't want to suggest we will win," Mr Bildt cautioned in an interview. "There is still some way to go." But barring an upset, he is set to head a four-party non-socialist coalition government later this month, a prospect many Swedes find hard to believe, such has been the Social Democratic domination for nearly 60 years.

But the national mood has been transformed over the past three years in a way that makes Mr Bildt's election possible. Sweden is moving towards the free market as it converges with the EC, which it hopes to join at end-1994. All main parties agree on the need to deregulate and liberalise the economy, differing merely on the pace of reform. The ruling Social Democrats have responded to the change in mood, but "they have no ideology and no policies now," Mr Bildt claims. "They don't really understand the market economy and why socialism has failed."

Yet more than an element of doubt remains about Mr Bildt, who must still convince Sweden's many undecided voters he can stitch together a viable alternative government to the Social Democrats out of four non-socialist parties.

The danger exists of an electoral deadlock after September 15.

Recent opinion polls show a substantial non-socialist majority among the Swedish electorate of about 60 per cent, but this is made up of support for up to five parties. One of them, New Democracy, is a new populist, right-wing party that questions such Swedish sacred cows as state welfare, foreign aid and tough laws against alcohol.

Its irreverent style has offended the established non-socialist party leaders, especially Mr Bengt Westerberg of the Liberals, who insists his party will not join a coalition that depends for its parliamentary survival on ND.

But the polls suggest ND could hold the power balance after September 15. The Social Democrats hope that if so, Mr Westerberg will break loose from the non-socialist bloc and make a deal with them. The other non-socialist leaders are irritated at Mr Westerberg's threat, even if they too want to keep ND at arm's length.

The Centre party also threatens to prove difficult. Mr Olof Johansson, its leader, may demand a high price for participation. The Christian Democrats, who look like being the election's real success story, winning seats in parliament for the first time, may prove more reliable coalition partners, though their leader, Mr Alf Svensson, will be keen to emphasise the party's distinctive identity.

Bringing these fragmented parties together will test Mr Bildt's political finesse.

Carl Bildt: "There is still some way to go"

WORLD TRADE NEWS

Japan speeds up vetting of new retail outlet plans

By Robert Thomson in Tokyo

JAPAN will soon announce plans to establish about 50 local committees responsible for processing applications by Japanese and foreign companies wanting to open large retail outlets.

The Japanese government has been under pressure from Washington to speed the processing of such applications, which are often opposed by local retailers and, in the past, have been delayed for 10 years or more. Under present regulations, new applications must be processed within 18 months.

Washington believes an increase in development of larger outlets will give foreign retailers greater access to the Japanese market and create more shelf space in Japanese outlets for foreign products and a revised law, likely to be introduced early next year, will reduce that limit to 12 months. But the US has been concerned that local authorities could still obstruct applications from "outsiders", either foreign companies or Japanese companies based outside the local area.

The Ministry of International Trade and Industry (Miti) has apparently decided to establish the committees to examine applications and negotiate with local retailers on the size and type of new complexes.

Each of the committees will have seven representatives, including scholars, lawyers and other respected members of the local communities, and they will be expected to make the final decision on the timing of new stores. A Miti official said local retailers would not be appointed to the committees, which would be "independent".

Small retailers are a powerful lobby group in Japan and continue to oppose the revision of the store law. The government is planning to allocate increased funds to the retailers to allow them to renovate local shopping centres and make themselves more competitive, but further friction is inevitable.

The US retailer Toys R Us has already caused a stir with plans for a chain of toy stores, which have been strongly opposed by smaller retailers. And in Hiroshima, in the west of Japan, local retail groups have called for extra government compensation even though no new proposals for stores have been submitted in the past year.

EC suggests more trade help for poor countries

THE European Commission has proposed rolling over a package of European Community trade concessions to poorer countries until the world trade liberalisation negotiations under the General Agreement on Tariffs and Trade (Gatt) have been concluded, Reuter reports from Brussels.

A Commission official said the EC executive had been forced to delay a planned revamp of the so-called Generalised System of Preferences (GSP), due to have taken effect from the start of 1992, because the Gatt talks have yet to be wound up.

Instead it is proposing that EC governments agree to a temporary extension of the GSP in its current form beyond the end of 1991 until it can be revised in the light of a Gatt agreement.

The GSP grants preferential access through zero or reduced tariffs on imports of industrial and agricultural products, textiles and steel from developing countries.

Czechoslovakia and Bulgaria were added to the list of beneficiaries this year.

The Uruguay Round of talks on the liberalising of world trade into the next century, which were scheduled to end last December, are likely to be extended to allow more time for settlement of a dispute between the Community and its trading partners, in particular the US, over the question of farm subsidies.

Puerto Rico seeks concessions from north America trade pact

PUERTO RICO has asked the Bush administration for the exclusion of rum and canned tuna from a North American Free Trade Agreement (Nafta) with Mexico and Canada and for special protection for most of its products, Reuter reports from Washington.

"Extension to Mexico of the benefit of duty-free treatment for rum and tuna, two of Puerto Rico's principal products, could place Mexico at a considerable competitive advantage," Mr Antonio Colorado, Puerto Rico's secretary of state, said.

He told an inter-agency hearing on the proposed pact that import tariffs on other products that are key for Puerto Rico should be lowered over long periods, "such as 20 years". Mr Colorado said textiles, apparel, leather goods and some farm products in particular needed protection.

Puerto Rico, a self-governing US Caribbean territory, was not against Nafta.

But, without adequate protection, plans to reduce trade barriers in North America first and the whole western hemisphere later could seriously harm the economy of Puerto Rico and other Caribbean and Central American nations.

Pepsi puts fizz into Israel's drinks market

By Hugh Carnegy in Jerusalem

PEPSI-COLA, for years conspicuous by its virtual absence in Israel, will soon be on general sale following a decision by PepsiCo's Pepsi-Cola International (PSI) to enter the Jewish state's small but fizzy soft drinks market, where Coca-Cola has long been entrenched.

The move should lay to rest Israeli suspicions, strongly denied by Pepsi, that it was abiding by an Arab boycott of trade with Israel for fear of jeopardising its strong market share in countries such as Egypt and in the Gulf. By contrast, Coca-Cola, with its high profile in Israel, has traditionally been weaker than Pepsi in Arab markets.

However, the Pepsi announcement has triggered a local Arab-Israeli controversy over the right to sell its products in the occupied West Bank and Gaza Strip.

PSI signed an agreement last month with Tempo Beer Industries, a leading Israeli drinks maker, which will produce and market Pepsi brands in Israel.

Neither company would disclose the value of the agreement or their sales targets. But Pepsi will have its work cut out to catch Coca-Cola products, made locally by the Central Bottling Company of Tel Aviv, which holds about 60 per cent of Israel's $300m (£177m) soft drinks market.

Mr Barry Holt, PSI spokesman, said the company had delayed coming to Israel because it was preoccupied by developing much bigger markets in India and eastern Europe. Pepsi is, however, already available on a limited scale through an Israeli chain of the company's Pizza Hut restaurants. Mr Holt said Pepsi was confident the decision would not effect its business elsewhere in the Middle East.

However, Tempo quickly found itself under pressure from Jewish settlers in the West Bank and Gaza to give commitments that it would sell Pepsi products in the occupied territories, as well as in Israel "proper".

Mr Moshe Bornstein, Tempo chairman and leading member of the family which controls the company, told a radio interviewer he believed this would be the case.

But Mr Holt said the preliminary agreement signed with Tempo covered only Israel "proper". An extension into the occupied territories was not part of the original deal and was subject to further negotiations, he said.

Panoco in $600m Tatarstan oil deal

By William Dullforce in Geneva

PANOCO HOLDING, the Swiss-based parent company for the Pan Ocean oil group, yesterday announced the signing of a $600m (£355m) joint venture with Tatneft, the petroleum administration of Tatarstan, the Soviet Tatar autonomous republic.

The local parliament of Tatarstan declared its independence in August last year. Yesterday Mr Shafatgat Takhautdinov, Tatneft's deputy director-general, insisted that Tatarstan would receive the full benefit of its share of the 50-50 joint production and exploration agreement. "Moscow will get nothing," he said.

Under the Blue Kama venture – named after the river located to the immediate north of the production fields – Panoco and Tatneft will develop seven oilfields in a 78,461-acre area with proven reserves of 1.69bn barrels of oil.

Current production from the area is 2,000 barrels a day (b/d). Mr Vittorio di Guevara Fabbri, Panoco's chairman and chief executive, put the future target at 125,000 b/d.

The venture provided for the drilling of over 2,000 wells over a 10-year period, using modern techniques including horizontal drilling and recovery enhancing technology. The first new output is expected to come on stream early next year.

In addition, Panoco will build a new 94km pipeline with a capacity of some 120,000 b/d between the Blue Kama area and the oil treatment facilities at Almetyevsk.

The final phase of the project foresees the construction of a 50,000 b/d refinery in the Nurlat area which, according to Panoco, will "drastically improve the economic independence of the region".

Although it has long been one of the main oil-producing areas of the Soviet Union, Tatarstan has had no domestic refining capacity.

Tatar oil has been exported at low prices to eastern Europe through the Druzhba pipeline. The republic's domestic needs have been met by the re-import of refined products from neighbouring republics.

Mr Herbert Rooks, head of Panoco's Soviet operations, said discussions on the financing of the project were already well advanced with banks from several countries. A European bank would probably head a financing consortium.

Panoco is a secretive group which does not disclose the names of its owners. Mr di Guevara Fabbri said they comprised a group of private individuals; no big oil company had an interest.

Soviet telecom links see the light

Danes are to lay the first east-west optical cable, writes Hilary Barnes

A CENTURY after Denmark's GN Great Nordic made its name linking east and west by telegraph cable, it took a step in the same direction this summer, this time using an optical fibre cable system.

Together with state-owned Telecom Denmark, GN Great Nordic has signed a contract to lay the first optical fibre cable system between the Soviet Union and abroad. The DKr500m (£44m) investment will be paid for by traffic fees.

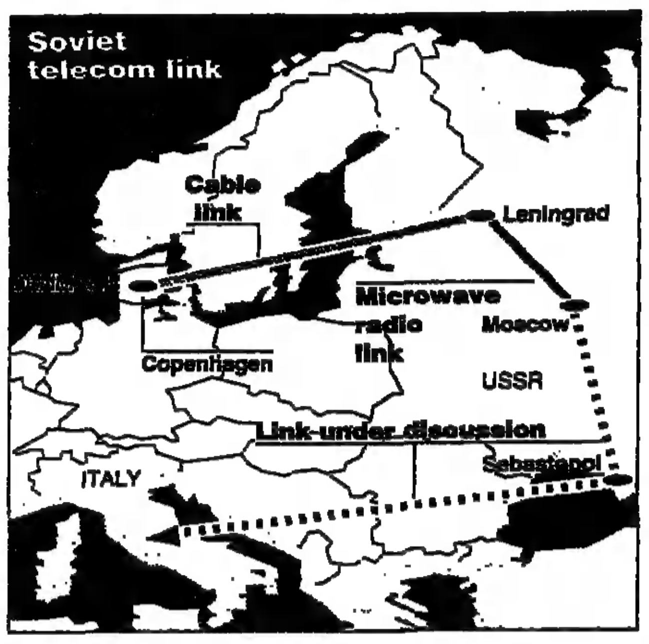
For GN Great Nordic, the deal represents a revival of the cable communications business, which had been eclipsed by satellite communications since the 1970s.

Its first triumph was when it established a telegraph link between Europe and China in 1871, via Vladivostok and Japan, beating the British, who were establishing a link via India.

Subsequently, Great Northern Telegraph Company, as it was known then, laid and operated many telecommunications cables in northern Europe and in the North Atlantic until satellite communications took over.

Now, however, optical fibres, because of their great capacity and high quality, have made cables interesting again, not least in eastern Europe.

The 1,260km cable between Denmark and the Soviet Union will go to Kingisepp, near Leningrad. It will be a 565 Mbit per second link, which means that it will have capacity to carry 16,000 phone, fax, data or video transmissions at once. The cable will be supplied by STC Submarine Systems, of the UK.



GN Great Nordic and Telecom Denmark will obtain their return on the investment from traffic fees when the link is opened in 1993 and for the 15 years of the contract.

Cocom, the Paris-based Co-ordinating Committee for Multilateral Export Controls, which limits export to the East Bloc of high-tech goods with possible military application, has so far prevented the extension of the optical fibre cable from Leningrad to Moscow, so this section will consist of a 140 Mbit microwave radio link.

But Mr Thomas Duer, GN Great Nordic's managing director, is convinced that it will not be long before Cocom has to drop its opposition to the extension of the optical fibre cable across the Soviet Union itself. This is even more likely as Cocom is considering plans for sweeping liberalisation of its list of banned exports. This had been due to come into operation from the beginning of this month, but has been delayed by the uncertainty surrounding the upheaval in the Soviet Union.

Whatever Cocom does, the Soviet Union will soon be able to supply its own optical fibre cable links for non-military purposes, and this would mean that western suppliers will excluded from the market, Mr Duer says.

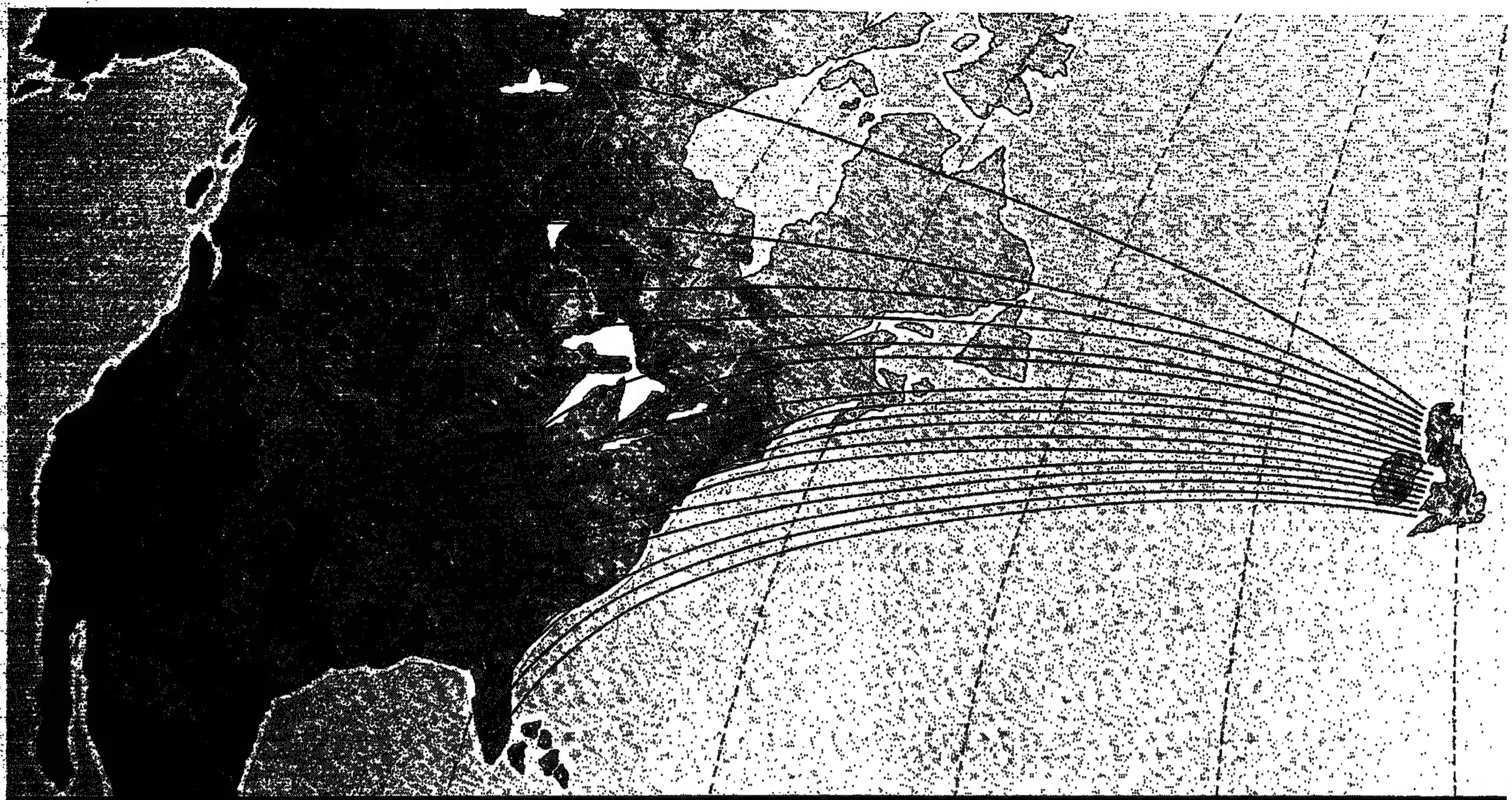
Mr Duer is confident that the Soviet upheaval will not affect the project, which is now being discussed with the ministries of posts and telecommunications of both the Soviet Union and the Russian Republic. "Both want to see the project completed as planned," he said.

Mr Duer's dream is a cable across Siberia to link Europe with Japan and Korea. He began to work on this project in 1988 and has brought together a consortium of 13 nations, including the state telecoms companies from the major European countries and Australia, as well as US West, one of the Bell companies, in the US, to support the trans-Soviet cable plan.

The Soviet Union itself, according to Mr Duer, has a strong interest in the trans-Soviet cable (a second major link, from Moscow via Sevastopol, in the Crimea, to Italy is also under discussion), as the cable could contain a circuit for internal Soviet communications.

"This offers them a fantastic opportunity to build up their domestic telecommunications system without the expenditure of any foreign exchange," he said.

CONTRACTS & TENDERS



INTERNATIONAL NEWS

Soaring currency hits Taiwan exports

A NEW surge in the value of Taiwan's currency last month began to take the shine off its export recovery, according to the Finance Ministry yesterday, Peter Wickenden reports from Taipei.

Despite vigorous intervention since June by Taiwan's Central Bank of China, the Taiwan dollar hit a 16-month high of 26.51 to the US dollar yesterday and looks set to climb further on the back of record export performances in May, June and July.

After year-on-year export growth of 21 per cent, then 31 per cent, then 14 per cent in those three months, August saw the growth rate dip sharply to 6.8 per cent, while imports for August rose some 21 per cent from a year ago.

South African mine reopens

Impala Platinum Holdings said its Bafokeng North mine, which was shut indefinitely on Tuesday evening following a deadlock in wage negotiations, was reopened yesterday, Reuter reports from Johannesburg. The Bafokeng North mine was closed because of fears of possible violence following what management called threats and intimidation by workers underground.

Impala said in a statement the mine was reopened after discussions between management and employee representatives on Wednesday night.

Indian premier visits Germany

Mr PV Narasimha Rao, India's prime minister, left yesterday for Germany on a four-day visit to woo German investment to the newly-liberalised Indian industry, AP reports from New Delhi. The visit demonstrates a departure in India's foreign policy priorities that traditionally had made Moscow the first port of call for a new prime minister.

Peace comes to Western Sahara

UN peacekeepers were due in the Western Sahara yesterday to monitor a ceasefire ending 15 years of sporadic desert war in the territory, Reuter reports from Rabat.

A formal ceasefire comes into force today. Once peace has been restored in the phosphate-rich former Spanish colony, its people will be allowed to vote for self-rule, as demanded by Polisario rebels, or integration with Morocco.

The advance party of 240 UN military and civilian observers was expected to travel through Casablanca to the sparsely-populated territory.

Diplomats said a major reason for Polisario's acceptance of the plan was King Hassan's rapprochement with both Libya and Algeria, substantially reducing arms supplies to the rebels.

Israel to press on with loan request to US

By Hugh Carnegy in Jerusalem and Lionel Barber in Washington

ISRAEL said yesterday it would press ahead with its request for big US loan guarantees, despite strong pressure from Washington to delay the issue to avoid disrupting plans to hold a Middle East peace conference next month.

At the same time, US officials said President Bush was also seeking firmer commitments from the Israeli government to halt settlements in the occupied territories before granting the guarantees.

Both Mr Bush and Mr James Baker, US secretary of state, are worried that an early decision to approve the loan guarantees could offer Arab parties an excuse to delay taking part in a Middle East peace conference, tentatively set for next month.

The battleground will be in the US Congress. If Israel seeks to use pro-Jewish sentiment to push through approval of the loan guarantees in this year's foreign aid appropriations bill, it is heading for a collision with the administration. The foreign aid bill is expected to come before the Senate this month.

The dispute dispelled Israeli hopes of isolating the question of the guarantees, which Israel wants to back $10bn (£5.9bn) in borrowing to help finance Soviet Jewish immigration, from the peace process.

Mr Yitzhak Shamir, the hardline Israeli prime minister, refused to acknowledge that he had been asked to hold back the loan guarantee request, despite the disclosure by Mr Baker that he had twice talked to him about the matter.

"No one in the United States objects to our submitting this request. Therefore we are submitting it. The day after tomorrow, the secretary of state will receive it," Mr Shamir told reporters.

He added his government's rejection of linking the aid request to the peace initiative. "We oppose any linkage of this kind. We don't believe it has any justification."

However, the acute budgetary strain caused by immigration has made the guarantees an issue of vital importance for Israel, and therefore exposed Mr Shamir to US pressure.

Mr Baker was careful to avoid saying support for the loan guarantees would depend on Israel's co-operation in the proposed peace conference. But he stressed that discussing large additional assistance for Israel, already the biggest recipient of US aid, could upset the delicate efforts to bring all sides to the table.

Israel argues that the loans it wants guaranteed – and therefore made cheaper – are for a purely humanitarian cause of immigrant absorption. But its Arab opponents see the guarantees as an indirect subsidy for expansion of Jewish settlements in the West Bank and Gaza Strip, as evidenced by a recent Israeli building boom there. Washington has repeatedly demanded a halt to settlement, to no avail.

Mr Shamir is banking on winning sufficient support in Congress to push through the loan guarantees quickly despite Mr Baker's call for a delay. Delay beyond the end of this month would shift the issue into the next fiscal year, making approval a lengthier and more difficult process.

De Michelis offers peace inducement

By Hugh Carnegy in Jerusalem

MR Gianni de Michelis, the Italian foreign minister, yesterday held out the prospect for Israel of deep economic integration with the European Community – a goal eagerly sought by Jerusalem – if it reaches a peace agreement with its Arab neighbours.

His offer underlined an approach adopted by the EC since the Gulf crisis of seeking to nudge Israel towards a more conciliatory stance on the Palestinian and broader Arab-Israeli conflicts by offering valuable economic inducements. The EC is Israel's biggest trading partner and Israel is anxious to protect its access to the increasingly integrated community markets.

Mr De Michelis said in a lecture at Tel Aviv University the EC was ready to offer Israel "clearly defined integration modelled on the economic accords that we are concluding with the Efta countries". He said Israel fitted the requirements of being a political democracy and a market economy and it would derive economic security from such an arrangement.

But both in his speech and at an earlier press conference he made it clear the offer was conditional on a successful peace process.

He specified the need for Israel to return the occupied West Bank and Gaza Strip, captured in the 1967 Six Day War, to the Palestinians.

"Without an agreement, it would be impossible to negotiate anything in connection with a stronger integration or a stronger co-operation between Israel and the European Community," he said.

Local politicians accuse Britain of failing to stand up to China

Major fails to satisfy Hong Kong democrats

By Philip Stephens and Angus Foster in Hong Kong

A COMMITMENT by Mr John Major to consider accelerating the pace of democracy in Hong Kong failed yesterday to persuade local political leaders that the UK is doing enough to stand up to China.

The British prime minister, who arrives back in London this morning after a six-day trip to Moscow, Beijing and Hong Kong, said he would examine carefully the results of the first direct elections in Hong Kong next week.

As part of the colony's transfer in 1997 to China, 18 out of 60 seats will be directly elected. The rest are either indirectly elected through business and trade associations or appointed by the governor. Under the agreement with Beijing the number directly elected will rise to 20 in 1995.

Mr Major said that if the elections were "successful", Britain would consider negotiating with Beijing to accelerate the move towards democracy. He emphasised that the agreements signed this week with Chinese leaders would break the deadlock in efforts to secure a prosperous future for Hong Kong.

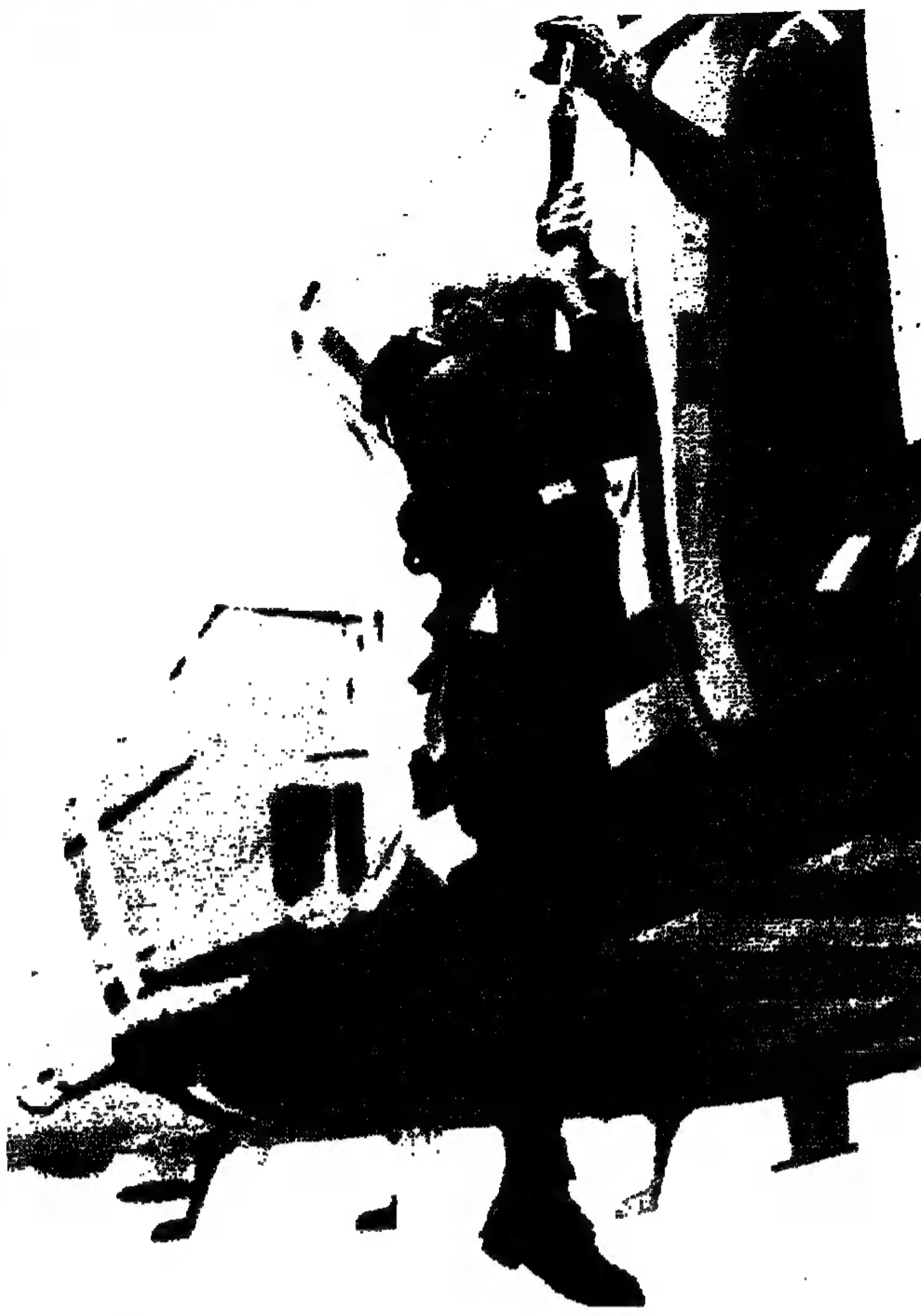
He pledged to intervene personally if the deal struck on Tuesday with the Chinese prime minister, Li Peng, to break the deadlock in the Joint Liaison Group did not solve the remaining outstanding issues on the colony's future.

In meetings with business and political leaders yesterday, Mr Major emphasised the importance of the "clear-cut and public reaffirmation" by Li Peng that China would observe the letter and the spirit of the 1984 Joint Declaration, which provides for separate administration of Hong Kong after 1997.

His stance, however, failed to satisfy Mr Martin Lee, leader of the United Democrats of Hong Kong, the colony's largest political party.

Mr Lee accused Britain of showing a "lack of concern for the rights and freedoms of the people of Hong Kong". He described as "highly ironic" the contrast between Mr Major's tough stance on China's human rights record and Hong Kong's slow speed towards democracy.

Mr Lee's party is likely to win a majority of the directly elected seats next week and wants full democracy immediately. In a letter to the prime minister, the party reminded Mr Major of Britain's earlier pledge to give Hong Kong democracy. "Since then, Britain has been in constant retreat from this promise. Rather than establish democracy, your colonial administration is seeking to frustrate popular representation," the letter said.



British foreign secretary Douglas Hurd is winched up in a Royal Hong Kong Auxiliary Air Force helicopter in a simulated rescue yesterday

Australia toughens rules on media

By Emilia Tagaza in Canberra

THE Australian government has tightened media cross-ownership rules to stop television proprietors from gaining indirect control of big newspapers through their associates.

Amendments to broadcasting laws adopted by the cabinet late on Wednesday night are designed to prevent further concentration of Australian media assets.

The government has been particularly worried about the bid for the Fairfax newspaper group recently by Tourang, a consortium led by Mr Conrad Black, the Canadian chairman of the London Daily Telegraph group, and Mr Kerry Packer, owner of the Channel Nine national network.

Mr Packer holds 14.9 per cent of Tourang, which is below the media cross-ownership threshold. The Broadcasting Act bars a radio or television licensee from controlling more than 15 per cent of big newspapers.

However, two of Mr Packer's former employees hold 3 per cent each of Tourang.

The amendment, expected to be approved in parliament, gave a clear definition of an "associate" and includes relatives, employees or employers and advisers.

The amendments also give the Australian Broadcasting Tribunal power to inquire into a buyer's associate relationships to determine if there is a likely breach of the 15 per cent cross-ownership limit or the 20 per cent foreign interest limit in an Australian radio or television station.

Mr Kim Beazley, the communications minister, said it had been necessary to clarify the wide powers of the tribunal because of the number of big ownership changes which had been taking place in the Australian media.

Apart from the problem with cross-ownership limits, Tourang also faces a hurdle of foreign ownership limits. Foreign holdings of more than 15 per cent require government approval.

Commonwealth wants extra $34m for democracy drive

By Robert Mauthner, Diplomatic Editor

THE British Commonwealth Secretariat is asking member countries to provide an extra $34m over the next five years to finance programmes arising from new policy priorities it is setting itself.

In an address in London to the Commonwealth Trust and the Royal Institute of International Affairs, Chief Emeka Anyaoku, the Commonwealth secretary-general, said the new resources were urgently needed to tackle problems such as the promotion of democratic practices and human rights in member countries.

The Commonwealth's priorities will be set out in a report on "the role and structures of the Commonwealth in the 1990s and beyond", due to be submitted by a high-level 10-nation committee to Commonwealth heads of government meeting in Harare next month.

Chief Anyaoku implicitly admitted that some member countries had failed to honour some of the Commonwealth's most resounding declarations, such as the 1971 Singapore declaration on individual liberties, equal rights and free democratic political processes.

The main challenge facing the Commonwealth was to prove wrong those people who thought of it as "a boring historical anachronism" or no more than a talking shop whose members adopted grandiose declarations more honoured in the breach than in the observance, through a more determined implementation of its principles and declarations.

In coming years, the Commonwealth could, "in appropriate cases", assist in the resolution of conflicts arising from the introduction of pluralist political systems. Scope existed for the Commonwealth's well-tried mechanisms, such as special missions like the Eminent Persons' Group, which went to South Africa in 1986, and ministerial committees, to be deployed more effectively to promote the Commonwealth's political objectives.

Chief Anyaoku stressed, however, that democracy could not be a panacea for all problems in member countries. There were many developing countries which had maintained impeccable democratic credentials, but which were still wrestling with crippling development problems.

Encouragement for democracy must therefore be accompanied by effective action to address big socio-economic problems. "Otherwise, there will be the risk of a backlash and eventual disillusionment with the democratic process."

Referring to the decision by a committee of Commonwealth foreign ministers last February to implement a "programmed management" of the removal of sanctions against South Africa as objectives were met, Chief Anyaoku said that "real obstacles" still stood in the way of ending apartheid. Until the majority of the South African population was given full voting and constitutional rights or, at least, until such a development was "clearly in sight", it would be inappropriate to remove all the international pressure, without which the process of change could never have taken place.

The Committee will be meeting in New Delhi next week to review the latest developments.

AMERICAN NEWS

Collor seeks coalition partners

By Christina Lamb in Brasilia

BRAZIL's President Fernando Collor de Mello has stepped up negotiations with politicians and businessmen in what is believed to be an attempt to form a coalition "government of national consensus" to fight the worsening economic crisis.

The president and his officials have spent the past two days talking to opposition politicians appealing for a national dialogue to find a solution to the country's spiralling inflation – now back up to 15 per cent a month.

Even Mr Collor's enemies have been contacted, such as Mr Orestes Quercia, leader of the main opposition party, the centre-left PMDB, and a future presidential candidate.

The government's hopes are pinned on implementing a radical overhaul of the constitution which would allow it to cut costs by sacking state employees and to raise revenues by increasing taxes. There is little support for the changes either in congress or among state governors, but without it another shock economic plan is thought inevitable.

Mr Collor plans to call a meeting of the Council of the Republic on September 17 to hammer out emergency legislation on the constitutional overhaul to put before congress. The council, which comprises senior ministers and party leaders, meets only in times of dire emergency.

After five economic shock plans in the last five years, realisation is growing that Brazil requires not short-term measures such as price freezes, but long-term solutions based on putting the Treasury's own finances in order through political consensus. Although politicians seem more disposed to talk than at any time since Mr Collor took office in March last year, they are far from agreed on how this should translate into policy.

To try to secure support the president may form a coalition with an opposition party such as the Social Democrats (PSDB). Mr Tasso Jereissati, the party's leader, said after a meeting with Mr Collor: "The president recognises he's isolated and is disposed to widen his base."

● Brazil, Argentina and Chile signed a joint declaration yesterday aimed at making the Southern Cone region a chemical and biological weapon-free zone. The agreement, signed by foreign ministers in the Argentine town of Mendoza, prohibits them from developing, using or retaining biological or chemical weapons.

Brazil's Foreign Ministry said yesterday that other South American countries were expected to join the pact.

Chile businesses told to stop whingeing

By Leslie Crawford in Santiago

THE CHILEAN finance minister, Mr Alejandro Foxley, has told businessmen to stop whingeing about the state of the economy and seize the investment opportunities on offer before foreigners beat them on home turf.

Mr Foxley, exasperated by complaints that high interest rates and the lack of tax breaks are choking investment, chided businessmen for their lack of initiative. "They will not find a better climate for investment in the rest of Latin America," he said.

Chile's economy was on track to grow by 5 per cent in 1991, its eighth year of solid growth, while inflation was set to fall to 18 per cent by the year-end, he said. Mr Foxley is worried, however, that while foreign investment has continued to pour into the country at a rate of about $100m (£59m) a month, Chilean private sector investment in falling.

Local businessmen say this is because interest rates are too high. They are also worried that an overvalued peso is making Chilean exports less competitive abroad. These were the main concerns to emerge from an "extraordinary summit" held by the leaders of Chilean banking, commerce, mining and industry this week.

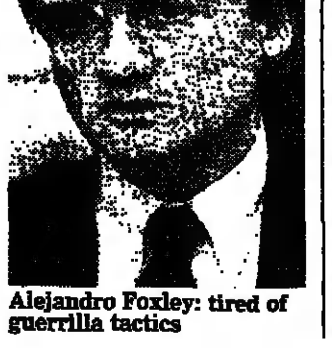
"The government appears to lack the political will to continue modernising the economy," said Mr José Antonio Guzman, president of the Confederation of Production and Commerce. He feared Chile's regional rivals were gaining a competitive edge.

"A fall in investment ... has been noted, making [investment] plainly insufficient to reach hoped-for growth levels and to regain employment levels needed in Chile," he added.

This latest skirmish between Mr Foxley and Chile's business class is not about economic fundamentals. Everyone agrees that inflation is under control, the state's finances are sound, exports are booming and the trade surplus looks rosy.

So the country's business leaders, who suspect that Mr Foxley's economic team is stuffed with closet interventionists, spend their time attacking the fringes of economic policy. Mr Foxley said yesterday he was tired of these "guerrilla tactics".

"The businessmen are whiners, by tradition and by belief," he said.



Alejandro Foxley: tired of guerrilla tactics

Canadian foreign reserves surge

By Bernard Simon in Toronto

THE unremitting popularity of the Canadian dollar contributed to a 7.2 per cent surge in Canada's foreign currency reserves last month to their second-highest level on record. The finance department in Ottawa said that the reserves reached US$18.66bn (£11bn) at the end of August, up from $17.4bn a month earlier.

Intervention by the Bank of Canada to contain the rise of the Canadian dollar accounted for about $500m of the increase. But the dollar, which has defied predictions over the past two years that it was due for a big drop, continued to appreciate last month, gaining about three-quarters of a US cent.

The currency stood yesterday at 87.67 US cents, within 1 cent of its peak for the past decade. Mr Barry Wainstein, vice-president for foreign exchange marketing at Canadian Imperial Bank of Commerce, said yesterday the dollar was likely to remain strong for at least the rest of the year.

The Bank of Canada has so far resisted calls by exporters to allow the currency to drop by cutting interest rates. Instead, it is giving highest priority to containing inflation.

Recent cuts in interest rates in the US, Britain and Australia have further enhanced the Canadian dollar's attractions as a high-yielding currency.

US fight over judge descends below belt

By George Graham in Washington

THE battle over the nomination of Judge Clarence Thomas to fill a vacant seat on the US Supreme Court has begun to descend into below-the-belt tactics.

To the apparent distress of the White House and of Judge Thomas himself, conservative groups have begun to air hard-hitting television advertisements questioning the ethics of liberal Democratic senators who are expected to figure in the nomination debate, due to begin next week, such as Mr Edward Kennedy and Mr Joseph Biden.

Mr Thomas's supporters fear the advertisments may be counterproductive by spurring opponents who have so far found him hard to attack.

Mr John Sununu, President George Bush's chief of staff, has telephoned the advertisement's sponsors to urge them to withdraw it.

The nomination of Mr Thomas, a 43-year-old black conservative lawyer, has divided civil rights groups and African-American organisations, which have disagreed with his views but found it hard to oppose a man who has achieved his current position as a judge on the US appeals court from a background of poverty in segregated Georgia.

The National Baptist Convention, the largest black church in the US, said Mr Thomas's nomination perpetuated "stereotypes, myths and misrepresentations of our achievements as an African-American people".

Cost of cleaning N-arms plants could reach $38bn

By Lionel Barber in Washington

THE COST of cleaning up contaminated nuclear weapons plants in the US could reach $38bn (£22.4bn) over the next five years, according to revised spending plans unveiled yesterday by the US Energy Department.

The report relates to spending due to begin in fiscal 1993, which starts in October 1992. However, it does not set a fixed time or sum of money for the total clean-up of the plants, which produce material for nuclear warheads.

Reports of extensive radioactive contamination at US nuclear weapons plants surfaced four years ago. The Energy Department's research laboratories and bomb-building plants employ more than 100,000 people, but much of the production work is done at factories which are more than 50 years old.

● A National Academy of Sciences (NAS) report yesterday suggested that the US could safely scale back its arsenal of nuclear weapons, particularly long-range missiles aimed at the Soviet Union.

Insurance rebates stalled

NEW regulations requiring insurance companies to issue $2.5bn (£1.5bn) in rebates to California car insurance policyholders have been stalled by the state's legal administrator, Louise Kehoe reports from San Francisco.

The "emergency" regulations, issued by Mr John Garamendi, the California insurance commissioner, last month, limit insurance company profits to 10 per cent and require immediate rebate payments. They were aimed at implementing Proposition 103, the "insurance revolt" ballot initiative passed by California voters three years ago.

However, Mr Marz Garcia, director of the state Office of Administrative Law, rejected Mr Garamendi's emergency regulations, saying no emergency existed and new regulations should go before public hearings, a process that could take months. Mr Garamendi in turn appealed to California governor Pete Wilson to overrule Mr Garcia.

Weak business spending forecast

Spending by US businesses to expand production is expected to rise a scant 1.8 per cent this year after inflation, the weakest showing since a decline in 1986, the Commerce Department said, Reuter reports from Washington.

Real capital spending rose 4.5 per cent in 1990 and 10.4 per cent in 1989. A gain of 1.6 per cent this year would be the smallest rise in five years.

UK NEWS

Soviet food aid proposals win industry backing

By Guy de Jonquieres, Andrew Jack and John Thornhill

LEADING British food and retailing companies yesterday enthusiastically backed a UK government plan to help relieve food shortages in the Soviet Union, but many said the government would have to provide further substantial funding if the plan was to have much impact.

Mr John Gummer, agriculture minister, and Mr Peter Lilley, the trade and industry secretary won the support of 40 senior executives to send teams of experts to the Soviet Union to study ways to reduce waste and improve the Soviet food chain.

"It is the whole of the food chain we are concerned with. You have got to make sure that every link in that chain works if food is to get to the consumer," Mr Gummer said.

These "lifeline" teams were first proposed by President George Bush and Mr John Major.

Sir Ronald McIntosh, chairman of the British Food Consortium, an alliance of food companies with interests in the Soviet Union, and six other senior executives will leave for Russia and the Ukraine within the next few days. A further five or six teams will prepare more detailed studies over the coming months.

The teams will study harvesting, processing, storage and distribution.

Assistance may include technology transfer, training, exchanges and providing experts to work alongside Soviet farmers.

This initiative will draw on the £50m the British government has committed over the next three years to the Soviet "know-how" fund.

Mr Lilley described the response of British companies as being "altruism in the face of short term problems and commercialism in the face of long term opportunities."

But although many companies were willing to provide personnel and expertise, few were prepared to commit significant financial or management resources.

Other Soviet news, Page 2

London commercial TV station outbid

By Raymond Snoddy

LONDON Weekend Televisionhas been significantly outbid in the competitive tenders for new commercial broadcasting licences.

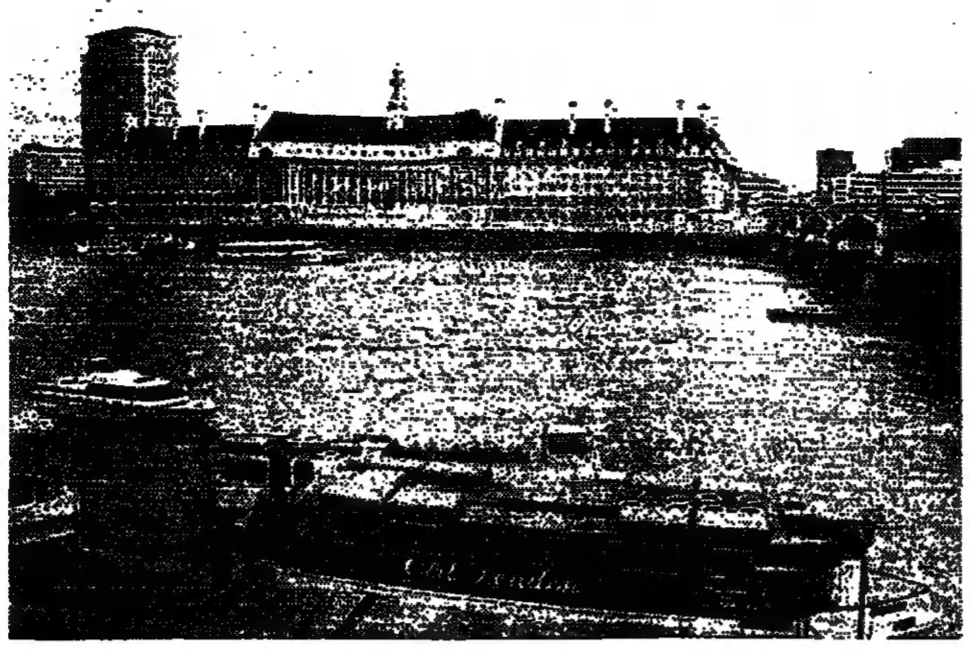
LWT, which holds the London weekend franchise and is one of the "Big Five" ITV network production companies, bid less than £30m a year for the new 10-year licences to run from the beginning of 1993.

LWT's only rival, London Independent Broadcasting, a consortium led by PolyGram, the record company controlled by Philips of The Netherlands, has bid £35.4m in 1993 prices. Apart from PolyGram, the LIB consortium groups a number of leading independent production companies.

This means that three of the big five, LWT, Granada and Thames have been outbid by rivals. Of the other two main network companies, Central judged correctly it was unopposed and bid just £2,000 a year and Yorkshire Television outbid two rivals with a bid of about £38m.

The Independent Television Commission met yesterday to review progress on deciding which applicants have passed a quality threshold.

Only applicants whose programme proposals and business plans make it over the threshold will have their bids considered. Final decisions on the threshold are not expected to be taken until later this month with winners announced next month.



MR Michael Heseltine, the environment secretary, yesterday granted planning permission for the commercial redevelopment of County Hall, (pictured above) the neoclassical building opposite Parliament which used to be occupied by the Greater London Council writes Vanessa Houlder.

The London Residiary Body, which has the task of selling the building, welcomed the decision and said that it could now get down to serious talking with a number of interested buyers. Mr Heseltine's decision follows a drawn-out planning battle in which the opposition Labour Party and the local council opposed the change of use of the building.

Planning delays contributed to the collapse of a £185m offer for the building by the County Hall Development Group, an Anglo-Japanese consortium.

TRANSPORT

Investment in Underground 'cannot come from fare rises'

By Richard Tomkins, Transport Correspondent

LONDON Underground will not be allowed to introduce big fare increases to raise money for badly needed investment in the network, the Department of Transport announced yesterday.

It also ruled out the possibility that it would make up the difference by doubling central government grants.

London Underground said some extra cash could be released for investment through efficiency savings, but not enough to prevent the system deteriorating still further without extra cash from fares or grants.

The department was responding to a Monopolies and Mergers Commission report on London Underground which blamed serious deficiencies in services on "chronic under-investment" by successive governments.

Its response came the day after the government's announcement that £2.8bn is to be spent on widening and improving the M25 London orbital motorway to cope with growing congestion.

The Monopolies Commission report, published in June, said London Underground saw the need for investment spending of £700m to £750m a year for the rest of the decade to provide an acceptably modern network. Current levels of investment are roughly half this figure.

Given the fierce competition for scarce government funds, the commission said, it would be unrealistic to expect the government to pay for this investment.

It concluded that the gap would have to be bridged by increasing fares beyond the rate of inflation.

London Transport wants big increases in Underground fares, but for several years it has been prevented from introducing significant increases in real terms because of the possible political consequences.

Mr Roger Freeman, minister for public transport, said yesterday that Underground fares had risen in real terms by 2½ per cent a year over the last six years and the government was not convinced that there was a case for them to rise more steeply.

He fully accepted that government grants would remain the main source of London Underground's investment funds, but addded: "It isn't reasonable to expect a quantum jump to be achieved in the short-term future."

Instead, Mr Freeman said the Transport Department and London Underground would work together to devise a 10-year strategic plan setting out safety, efficiency and quality of service targets.

Editorial comment, Page 14

BRITAIN IN BRIEF

Telephone duopoly is challenged

BT and Mercury Communications face a challenge to their lucrative duopoly on international telephone calls from the company responsible for running the hot line between the White House and the Kremlin. World Communications, a specialist US international telecommunications company, claims its service launched this week undercuts Mercury by up to 20 per cent and BT by even more. The service will initially target businesses which spend more than £5,000 a month on international calls.

Shipbuilders face redundancy

Up to 800 workers at Yarrow Shipbuilders on Clydeside continue to face redundancy despite the prospect of a £150m warship export order for Malaysia. Yarrow, a subsidiary of GEC, warned earlier this year that several hundred workers on short-term contracts would not have their contracts renewed. The group said the hoped-for Malaysian deal, which would fill an empty export order book, would not alter the plans.

Lloyd's unveils new plans

Lloyd's of London has unveiled a new marketing package designed to boost its share of the UK commercial insurance market. Lloyd's of London has adopted a more aggressive approach to marketing over the past two years, focusing initially on professional indemnity, commercial motor, accident and health, term life and contingency insurance.

Statistics support upturn

Forecasts that an economic upturn is likely to start soon have been supported by the continued rise of a statistical index of economic changes calculated by the Central Statistical Office. The longer leading index rose to 98.7 in July, from 98.3 in June and 98.5 in May, the Central Statistical Office said.

Green products falsely labelled

The government is being urged by a *House of Commons* committee to tighten the law in order to prevent manufacturers falsely claiming that their products are environmental "clean".

It is recommended that the Trade Descriptions Act should be amended to stop deceptive "green" claims for goods. Manufacturers could then be fined for making false environmental claims.

Ashdown rallies supporters

Liberal Democrats should not waste time on election predictions, and should concentrate on issues other than constitutional reform at its annual conference to be held next week, Mr Paddy Ashdown (pictured above), the party's leader, has said.

Preparing for the party's gathering at Bournemouth, south England, which will mark the start of the last pre-election conference season, Mr Ashdown said he believed a final swing or surge among the public had yet to come before the election, and that Labour had made a strategic error in "not presenting a real alternative to the Conservatives".

Tobacco ads ban sought

The British Medical Association has renewed its call for a compulsory ban of tobacco advertising, claiming that new evidence proved that such bans rapidly reduced the incidence of smoking.

Statistics from New Zealand, Finland and Canada, which all forbid tobacco advertising, indicate that the proportion of cigarettes consumed per capita has fallen compared with the UK, according to the BMA, Action on Smoking and Health (ASH) and the Coronary Prevention Group, two anti-smoking groups. The government says a voluntary agreement with the tobacco industry to reduce advertising is more effective, and argues there is no evidence of a decline in smoking in Portugal and Italy, which have both introduced bans.

Newspaper body 'lacks finance'

Mr Louis Blom-Cooper the last chairman of the Press Council accused the newspaper industry of starving its regulatory body of adequate financial resources over many years. In an "epitaph" for the Council, replaced by the Press Complaints Commission in January, Mr Blom-Cooper argued that proper financing would have enabled the Council to deal more vigorously with issues of press freedom and responsibility.

BT to offer contracts

BT is to offer its 1,400 field sales force personal contracts in its first move to end collective bargaining for a largely non-managerial group.The Society of Telecom Executives, the main union affected, is urging its members not to accept the deal, claiming that BT is attempting to "buy out" sales staff for £1,000 or less each.

House starts rise sharply

The number of new houses started by builders in Great Britain rose sharply during the three months to the end of July according to figures published by the government.

UK NEWS

British Rail to recall fleet of diesel trains

By James Buxton, Scottish Correspondent

BRITISH Rail is recalling much of its fleet of Class 158 diesel express trains for substantial modifications which will be paid for under warranty by their manufacturer, Brel.

About 90 two-carriage trains, which were intended to operate a high quality 90mph service on BR's regional routes including those between Glasgow and Edinburgh, are being taken out of service at the rate of about four at a time.

Brel at Derby and BR's engineering yard at Springburn, Glasgow, will replace aluminium supports carrying equipment under the aluminium trains, and remedy cracking in the door surrounds. The air conditioning equipment which has failed on many of the trains in Scotland will be also repaired.

The modification programme, which began about six weeks ago, is another blow to Brel, privatised from BR in 1989. This week it replaced Mr Peter Holdstock, chief executive, because of the company's failure to deliver trains to BR on time.

He was replaced by Mr Bo Sodersten, a Swede connected with Asea Brown Boveri, the Swiss-Swedish engineering company which owns 40 per cent of Brel.

Trafalgar House also owns 40 per cent, with 20 per cent held by management and employees. The cost to Brel of the repair programme is not being disclosed.

The recall is also a setback to British Rail which in Scotland is warning passengers that some trains may have fewer carriages than planned, which "may lead to some overcrowding or delays."

MOTOR INDUSTRY

August car sales fall 15%

By Kevin Done, Motor Industry Correspondent

NEW car registrations in August, the most important new car sales month of the year, fell by 15.1 per cent according to figures released yesterday, a lower rate of decline than earlier feared by the hard-pressed UK motor industry.

At the same in a surprise move Ford, the UK new car market leader, signalled that it was pulling back from the price war by announcing that it was increasing the prices of a large part of its range by an average of 3.9 per cent. It had previously raised prices by 3.4 per cent in January.

Ford triggered the price war at the beginning of July by cutting the list prices of old stocks of selected models across its range by between £1,000 and £2,000.

Ford's general list price level was left untouched by the so-called "summer specials" campaign of price cuts, however, and the company said that it was now increasing the list prices of most of its Fiesta, Sierra and Granada ranges by an average of 3.9 per cent

Despite triggering the price war Ford, which was already under severe pressure, suffered a further setback in August as its market share shrank to 21.8 per cent from 24.3 per cent in the same month a year ago.

Ford of Britain collapsed into a loss last year for the first time in 20 years and its expensive cut-price marketing initiative during the summer has failed to revive its fortunes.

The motor industry was quick to dispel suggestions that the slower pace of decline in August could signal the start of a recovery in demand.

The Society of Motor Manufacturers and Traders said that sales in August had been stimulated by the price war and warned that this "may have been achieved at the expense of fewer registrations later this autumn."

Vauxhall, the second placed car maker in the UK, said, "The price wars have boosted August sales probably at the expense of the rest of the year. This should not be seen as the beginning of the recovery for the motor industry. We do not expect that to begin until next year."

Before the start of the price war the motor industry had feared a fall of as much as 25 per cent in August sales.

Nissan to recruit extra 1,000 workers for Sunderland plant

By John Griffiths

NISSAN will start recruiting another 1,000 workers for its Sunderland, Tyne and Wear, car plant next week. This is 500 more than previously announced by the company in its recruitment plans and will bring its total employment to 4,000 by autumn next year.

The extra employees are needed mainly because of expanded output of the Primera, the family saloon and hatchback which at present is the only range built at the plant, and for an additional small hatchback due to go into production next autumn.

Nissan Motor Manufacturing (UK), the UK production subsidiary of Japan's second largest car maker, said yesterday that a higher level of on-site component manufacturing and processing than first envisaged was also a significant factor in the expanded recruitment.

The company held out the prospect of a substantial number of extra jobs being created among its 179 European component suppliers - 120 of them in the UK.

It disclosed that virtually all the extra components business will go to the Sunderland plant's existing suppliers.

The company has indicated a desire to increase its UK production in the longer term to 400,000 a year.

Nissan is stepping up output of the Primera this year to 120,000 from the previously-scheduled 100,000, with about 80 per cent of output going to the Continent, Taiwan and Japan.

So far, the increased production has been achieved through increased overtime. But with Primera output expected to stay at or above this level for the forseeable future, NMM(UK) has concluded that a larger work force is necessary.

Since the £640m Sunderland venture first went on stream, primarily as an assembly operation in 1986, Nissan has added a number of manufacturing processes, including an aluminium castings facility, engine machining plant and plastic moulding operations. The engine for the small car will also be manufactured mainly at Sunderland. As with the Primera, the engine block and gearbox will be the only major drivetrain elements imported from Japan.

NMM(UK) expects to build 100,000 units of the small car in 1993, lifting Sunderland's total output to 220,000 units a year, two-thirds of which will be exported.

Telephone numbers to take an extra digit

By Hugo Dixon

BRITAIN's telephone codes will have an extra digit added to them in Easter 1994.

The change is needed because the nation is running out of numbers, Oftel, the telecommunications regulatory body, said yesterday.

The shortage has been caused by the proliferation of new telephone services, the arrival of competitors to BT and the growing trend among businesses to have direct lines for employees rather than routing all calls through switchboards.

For ordinary telephone lines, an extra 1 will be added after the initial 0 in the code.

Other digits placed after the initial 0 will be used for services such as mobile communications, freephone calls and premium rate services, thus increasing the potential supply of numbers tenfold.

Oftel added that the international dialling code would change from 010 to 00 to harmonise with the rest of the EC.

The change will require users to reprint stationery and promotional material, but business and user groups generally welcomed the move.

The Confederation of British Industry said Oftel had chosen the best means of creating extra numbering capacity which was needed for business-to-business communications.

The Telecommunications Users Association said the code change would ultimately increase opportunities for users by promoting competition and choice.

For Londoners, the change will be the second in four years. Last year, the capital's old 01 code was replaced by 071 for Inner London and 081 for Outer London. These will become 0171 and 0181.

Summertime ends and now the politics can get serious

Alison Smith describes the party conference season

AS the British summer holiday season ends for another year thousands of politicians start to arrive at seaside resorts for the annual ritual of the party conference season.

Each of the three main parties, Conservatives, Labour and Liberal Democrats, have, in turn, a week to rally their supporters and to present themselves in the best possible light. In this last pre-election conference circuit, the image will be even more closely monitored than usual.

The rise of a "conference season" and its tendency to occur at the seaside both date from the 1920s. The political attraction of Blackpool, in the north west of England, Brighton and Bournemouth, both on the south coast, which are the three most popular locations, lies not necessarily in their respective ambiences, but in large-scale conference facilities and wide range of accommodation they offer.

For both Labour and the Tories more than 10,000 people will be involved, a number which includesconstituency representatives, journalists, observers, and organisations running exhibition stands.

Thus there is a need not only for the most luxurious hotel an expense account may demand, but also enough places in modest bed-and-breakfast establishments for party representatives paying their own way.

The Tory party conference has always been the most stage-managed, though in recent years Labour's presentation of the week has improved dramatically. The Liberal Democrats too have been tamed since the days when the Liberal assembly almost automatically took a more radical line than its leaders wished.

The three conferences remain different in tone, but have a common theme for party managers: how to keep in check the representatives, some of whom tend, more than is helpful, towards the caricature each party is trying to shed.

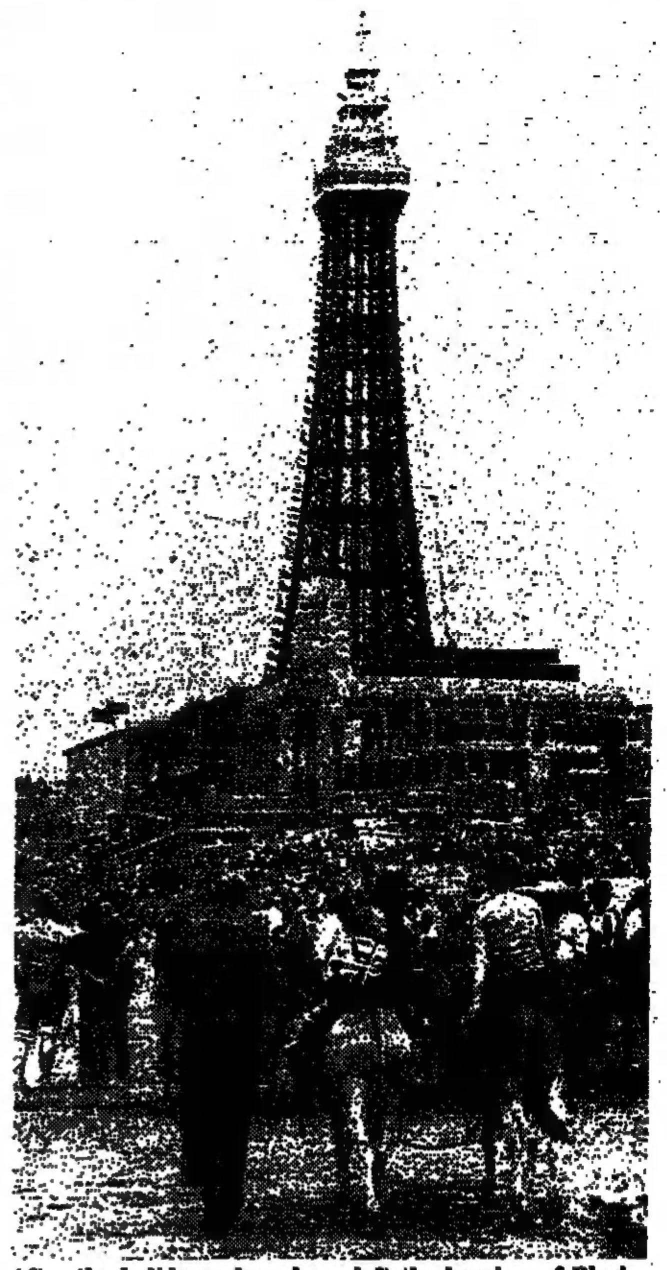
The styles of the two parties which merged three years ago to form the Liberal Democrats can still both be found among its representatives. Former members of the Liberal party tend towards woolly jumpers and sandals, and those from the former Social Democratic Party towards suits. Last year it balanced out sartorially somewhere around a tweed jacket.

For Labour, in contrast, the smart suit and the mobile telephone is now practically uniform. Labour conferences, however, still inflict a token defeat or two on the leadership each year.

Since the policy review of 1989 was adopted by conference, the leadership is more relaxed about conference decisions which conflict with that, because the policy review takes precedent. Nonetheless, such defeats enable the Tories to claim that Labour is divided over issues such as defence and public ownership.

Even for an occasion as stylised as the Tory conference, the week is not entirely risk-free. Expressions of dissent are so rare that where they occur, on issues such as high interest rates, they will always be reported with enthusiasm.

Remarkably, two years ago, there was even a defeat for the leadership, though on party organisation rather than policy. The last defeat on policy was, so far as anyone can remember, in the 1940s.



After the holidaymakers have left the beaches of Blackpool, pictured above, politicians arrive in their thousands

For each of the party leaders the conference is a showcase. Mrs Thatcher, the former prime minister, dominated the conference to an unprecedented extent, and each year the pressure rose for an ever-longer standing ovation.

In the party gatherings he has addressed so far, Prime Minister John Major's tone has been notably more low-key: it remains to be seen whether, like his predecessor, he can enable the conference to fade out with images of his progress through a crowd of rapt and ecstatic representatives.

MR Neil Kinnock's conference speeches have not consistently been his finest hours as leader. His best performance was probably in 1985 when, in a devastating attack on hard left Militant supporters, he provoked the last platform walkout and won plaudits from the Labour mainstream.

For Mr Paddy Ashdown, the Liberal Democrat leader, the party's combination of extensive media coverage and few politicians familiar to the public means an endless round of engagements.

It is a sign of the party's growing confidence that next week its leader will be making only two conference speeches: last year it was three, and the year before four.

Less easy for the party's managers to control than the main debates are the fringe meetings.

They range from private advice for local party organisers to speeches by senior figures currently out of favour, whose explanation of their positions can eclipse formal conference proceedings.

Overlapping with the fringe are the various organisations and lobby groups whose increasing eagerness to broaden their contacts has benefited all three parties.

And beyond the exhibitors' stalls, there is an apparently endless and visibly tiring round of receptions and parties, both commercial and political, which reaches its most frenzied and lavish at the Tory conference.

At the end of the season, as the MPs return to the House of Commons and the representatives to their constituencies, the parties' managers will probably be able to bask in the boost, albeit perhaps temporary, to their opinion poll ratings that is the reward for a well-trained and successful conference.

They would be wise not to rest on their laurels. Whoever wins the election, this time next year at least one party is likely to be facing a considerably rougher ride than in the current round of pre-election good behaviour.

MANAGEMENT

Wrong choice from the menu

Guy de Jonquières suggests that McDonald's business methods include ingredients that spell trouble

When McDonald's opened a fast-food outlet in Moscow's Pushkin Square amid a blaze of publicity early last year, the event seemed to offer a richly symbolic contrast between the sophisticated efficiency of western consumer industries and the chaotic backwardness of the Soviet economy.

Yet, according to an article* in the latest Harvard Business Review, McDonald's is far from a model of how a modern service business should be run. Indeed, the article condemns the company's methods as an anachronism, increasingly handicapping its competitiveness.

The authors, Professors Leonard Schlesinger and James Heskett of the Harvard Business School, argue that McDonald's is one of many American service companies which are being penalised by what was once their greatest strength: a standardised, production-line approach which deliberately emphasises technology, machines and systems and seeks to minimise the role of people.

"Front-line customer-contact jobs are designed to be as simple and narrow as possible so that they can be filled by almost anyone – idiot-proof jobs," the article says. "Unfortunately, however, this industrial model flies in the face of what service-sector customers many times value most: the things that technology cannot do at all or as well as thinking human beings.

"In fact, the more that technology becomes a standard part of delivering services, the more important personal interactions are in satisfying customers and in differentiating competitors."

The result of the McDonald's-style approach is to lock companies into a "cycle of failure", the authors say. By offering unrewarding jobs, low wages and meagre training, they attract mediocre recruits and suffer high rates of staff turnover, further undermining customer service quality.

The bleak prognosis is underlined by an accompanying article** by Stephen Roach, senior economist at investment bank Morgan Stanley, who argues that the entire US services sector is set for a shake-up as violent as that experienced by manufacturing industry in the past decade.

Though the US services sector has invested massively in automation – it accounts for more than 85 per cent of the country's installed information technology base – productivity has stagnated because companies have not cut costs by streamlining their workforces. Roach contends this inefficiency will be increasingly exposed by competition from foreign companies entering the US services market.

The three authors agree that new accounting and information systems are needed to pinpoint those areas where investments by service industries will yield the biggest returns. Though such measurements are notoriously difficult, Schlesinger and Heskett offer some guidelines as to where companies should focus their efforts.

They point to research which shows that customers' loyalty has much to do with the attitudes of sales staff: two thirds of defecting customers cite unsatisfactory service as the main source of discontent. Service quality, in turn, is closely linked with staff turnover.

Surveys by Sears, the large US retailer, have found consistently higher customer satisfaction at stores with low staff turnover. Marriott, the hotel chain, estimates that a 10 per cent cut in staff turnover would lower the number of "non-repeat" customers by 1 to 3 per cent and increase annual revenues by between $50m and $150m.

However, the article says, putting service back into service industries depends crucially on redefining customer satisfaction criteria and focusing human resources on achieving them.

Taco Bell, a US fast-food chain owned by PepsiCo, is held up as a shining example. Since the late 1980s, Taco Bell has extensively restructured its business and introduced a number of innovations. They include:

- Careful recruitment of highly motivated sales staff able to work well under pressure, combined with continuous training. Higher staff quality enables each supervisor to control 20 restaurants, compared with only five three years ago.
- Freeing staff to concentrate on serving customers. Electronic information systems have cut by 15 hours a week the time spent by restaurant managers on paperwork, while food preparation has been removed from restaurants to large-scale central facilities.

At McDonald's, where food is still prepared at the restaurants, ever more complicated menus require managers to devote increasing attention to "back-room" operations.

- More sophisticated measurement of service quality and customer satisfaction, coupled with performance-related pay for restaurant managers.

As well as improving staff morale, *these changes have* produced an impressive financial performance. In the past three years, sales growth at company-owned Taco Bells has exceeded 60 per cent while profits have risen by more than 25 per cent a year.

By contrast, McDonald's US restaurants increased profits by less than six per cent annually over the same period and their market share is increasingly under pressure.

The authors warn that raising service quality is a "tumultuous" process, requiring an unshakable belief that it will pay off financially in the long run. Of all the challenges facing "old model" service companies, they suggest, the toughest is to recognise that their failures stem not from mistakes down the line but from deliberate choices by top management.

* *The service-driven service company.* **Services under siege – the restructuring imperative. HBR September-October 1991.*

McDonald's is one of many US companies "being penalised by what was once their greatest strength"

Shell's pump-priming pays off in South Africa

Patti Waldmeir reports that the resources group is now forging friendships with its former critics

The new South Africa is a place rich in irony. For more than a decade, the African National Congress (ANC) led a worldwide campaign to force Shell to pull out of South Africa.

But when the ANC returned to Johannesburg after 30 years in exile, it did not let this stand in the way of a healthy commercial relationship with the company. Earlier this year, when Shell moved to a new building, the ANC bought Shell House in Johannesburg as its national headquarters; Shell, which officially remains on the ANC blacklist, threw a party to welcome the new owners.

So as the political situation improves in South Africa, Shell's decision to remain – it was the most prominent Western company to resist disinvestment – can be judged against new standards of corporate citizenship in a post-apartheid society.

For ANC officials are discovering, to their dismay, that investment halted by their protests in the 1980s may have been lost to South Africa for ever.

"I don't believe disinvestment had the effect that its architects believed it would have," says John Kilroe, chairman and chief executive of Shell South Africa, a wholly owned subsidiary of the Royal Dutch/Shell group with turnover last year of R5.5bn (£1.14bn).

Under new ownership, companies stopped complying with the liberal principles set out under the European Community and Sullivan codes of business conduct, which set minimum wage levels and guidelines for black advancement. "The new owners. . .considered that these things were done for people overseas; we don't have to do them now," he explains.

Under the new owners, educational programmes were halted, social responsibility spending fell, unemployment rose. "The people who really benefited were the South African companies which picked up these assets at bargain basement prices," Kilroe argues.

On the political level, the ANC insists that disinvestment played a significant role in forcing the ruling National Party to abandon 40-odd years of apartheid policy. Economists and businessmen dispute this, arguing that the disciplines of the marketplace were far more effective than either disinvestment or trade sanctions.

Kilroe sees the political liberalisation of the past 18 months not as proof of the coercive power of disinvestment, but as vindication of Shell's decision to remain. "It's satisfying to know our belief that Shell could achieve more by staying in South Africa than by disinvesting has been vindicated," he says in the company's 1990 business report. "The changes now being introduced are changes for which we have worked long and hard. They represent final recognition of the evil of apartheid, a commitment to positive renewal, and justification of our role in the process of change."

The degree to which Pretoria was influenced by liberal pronouncements from business – particularly foreign-based business – must remain open to doubt.

But Shell none the less did its part for human rights; week after week, it placed full page advertisements in small newspapers which held out against apartheid at its most repressive. Left-wing publications such as the Weekly Mail, the Afrikaans Vrye Weekblad and the ANC-supported New Nation faced police harassment and censorship under the state of emergency of the late 1980s; they condemned human rights abuses ignored by mainstream papers. Shell was a major source of their finance; its adverts praised a free press, condemned residential segregation and championed non-racial democracy.

So at the level of rhetoric, Shell took a high profile stand against apartheid. Indeed, the company even participated in one of the most important street demonstrations ever staged against Pretoria: a protest march through the streets of Cape Town (Shell's headquarters) in September 1989.

When one of the largest crowds in South African history set out to march on the city hall, a Shell executive was in the vanguard, along with church and other business leaders.

Pretoria's decision to allow the protest to go ahead peacefully marked a turning point; it was the first sign that F.W. de Klerk was serious about political liberalisation.

But Kilroe insists that Shell's opposition was never political; apartheid was simply not the ideology on which to base a society "in which South Africans can prosper and Shell South Africa can prosper along with them".

That prosperity will depend, most of all, on education. "The economy can't grow at 5 per cent a year, as it must do, because there are not enough scientists and engineers," says the Shell chairman. (According to Shell, out of 10,000 black school entrants, only 27 gain entrance to university, and only one enters university to study maths and sciences. Only one per cent of blacks gets any technical training.)

"We earmarked the problem with maths and sciences for special attention," Kilroe says. The company sponsors a training programme for maths and science teachers at the University of Natal, and offers university scholarships for blacks, who are first sent to private schools for a year-long prep course to help upgrade the poor quality of their pre-university schooling. Overall, Shell spent R6.1m in 1990 on education projects; it estimates that 2.2m children benefited from these programmes.

Overall, the company spends 7 to 8 per cent of net income on social responsibility programmes, which is relatively high by South African standards and compares with roughly 1 per cent for other Shell companies worldwide.

That fact leads Shell's main trade union adversary, Rod Crompton of the Chemical Workers union, to compare the company to "a man who goes to the pub and buys drinks for all his friends and has nothing left for his family".

But this criticism is surely unfair: staff terms and conditions are at least in line with the industry average; salaries are well above the minima set by the EC code of conduct; and judging by the low level of strike action, Shell employees are not seriously dissatisfied – last year, only 1 per cent of working hours was lost through strikes.

The percentage of black managers in Shell is still pitifully low – though that could be said of almost every South African company. Though 70 per cent of staff are black, only 15 per cent of managers are non-white (27 per cent at supervisory level or above).

Shell says its goal is to have 20 per cent black managers by next year "to window dress," says Kilroe. "People have to be promoted on merit," he adds, noting that the company recently appointed its first black executive. He is Humphrey Khoza, public affairs director – the sort of highly visible (and often not too demanding) post traditionally given to blacks in companies trying to prove their non-racial employment policies.

"You can't be an equal opportunity company and go out into an environment that's not equal at all," Kilroe points out, acknowledging that much more remains to be done.

But of one thing he is certain: that Shell was right to stay and work for change from within. And to judge from the ANC's eagerness to purchase Shell House, it seems unlikely that the company's stand on disinvestment will have any long-term impact on its commercial prospects. For the time will soon have passed when politics takes precedence over economics and the ANC knows it will need companies like Shell to build the new South Africa.

TECHNOLOGY

Contest hots up in the middle ground

IBM's mid-range computers are critical to its recovery from damage inflicted by a stagnant market, writes Alan Cane

International Business Machines (IBM), the world's largest computer manufacturer, earlier this week launched a small computer aimed at the strategically important mid-range market. Big Blue has taken a battering in the past year in a market which has seen sales plummet and is looking to the new model for a much-needed shot in the arm.

The mid-range area covers computer systems for small businesses and departments of larger ones. In the past couple of years, it has emerged as the most important area of growth in the computer business, increasing by about 10 per cent a year. In the US, personal computer sales are stagnant (0.3 per cent revenue growth in 1991), while sales of mainframe are, if anything, in retreat.

At just $12,000 (£8,879 in the UK), IBM's new machine, the 9402 Model D02, represents a technological and performance breakthrough for IBM. For the first time in the AS/400 range – IBM's middle market sector – all the electronics of the logic circuits are contained on a single printed circuit board compared with two for the next machine in the range, the DO4, and three for the original machine in the ASD/400 range.

The improved technology has resulted in price and performance benefits: the new machine offers 18 per cent better performance and is 26 per cent cheaper than its predecessor.

For the first time, the operating system and some application software will be provided ready loaded on the machine – the so-called "plug and go" concept.

The launch, however, serves principally to highlight the difficulties faced by customers in deciding what mid-range machine is best for them, and the questions raised by IBM's mid-range product strategy.

These include:

- What power range will the AS/400 range eventually span?
- Which offers the lower "cost of ownership", the AS/400 or a an open system machine (which is compatible with that from other manufacturers)?
- How should a customer choose between an AS/400 and IBM's own high-powered workstation, the RS/6000, for a mid-range application?

Today's AS/400 range can, to some extent, be seen as a exercise in catching up with industry trends. Digital Equipment, the world's largest minicomputer manufacturer, seized the initiative in the 1980s by exploiting what was then a new trend in data processing, "downsizing" – the substitution of smaller, cheaper computers for large, expensive ones. In a sense, it was no more than an extension of the trend which had seen the rise of the minicomputer in the 1970s to replace the mainframe.

But the fact remains that even if customers find they can substitute a smaller machine for a larger one, they soon exhaust their machine's power capacity and seek ones with extra performance.

Because Digital's Vax range uses the same operating system, VMS, from its small Microvax through to the mainframe-like 9000, it is simple for users to increase power while running the same software.

Most of the Vax range also runs Ultrix, Digital's version of Unix, the operating system which is quickly becoming the world standard for "openness".

Digital's initiative caught IBM napping. IBM had a diversity of mid-range machines of different design and running different operating systems. Because Digital had a single family of easily upgradable and compatible machines, IBM lost business to its rival hand over fist.

IBM's response to the challenge was the AS/400 range, a development of its System/38 family, perhaps IBM's most technologically radical computer. It was launched with a built-in relational database and "single level" storage – which made it easier for users to retrieve information.

The introduction of AS/400 also marked a new phase in IBM's relations with customers and software suppliers. Under the avuncular eye of Steven Schwartz, then general manager for mid-range systems, IBM consulted with its customers and persuaded software houses to write applications for the new range.

Schwartz's success is reflected by the fact that there are some 500,000 AS/400 systems installed worldwide, while the broader mid-range, which includes workstations and top of the range PCs contributes about $14bn (equivalent to the sales of the third largest computer company in the world) of IBM's $70bn global revenues and 30 per cent of its net income. Some 9,000 applications programs exist for the AS/400 family.

AS/400 undergoing testing at IBM's Rochester Minnesota plant. The plant last year won the Malcolm Baldrige award, the US's premier badge of quality

However, the mid-range market has changed. It can be served by a wide range of machines from networks of powerful PCs to workstations and small mainframes. Customers are increasingly asking for "open" systems which allow them to cut costs and connect machines from different manufacturers. IBM is trying to adapt to the speed of change in this new market.

"Application Business Systems", as the AS/400 sector is called, is now managed by Robert LaBant, an energetic and charismatic former general manager of marketing. He reports directly to Jack Kuehler, IBM president.

In a recent interview with the FT, Mr LaBant argued that the AS/400 family now addressed the full range of data processing applications. The performance of the smallest member of the range, he predicts, will increase by 30 per cent a year (through technological improvements); and the price, he says, will stay at about $10,000.

The top of the AS/400 range uses two processors; next year a machine with four processors will be introduced. "It is built. We are testing it now. I intend to take the AS/400 much higher, adding image processing, office functions and artificial intelligence. Over the next six years, I see a 100 per cent annual growth rate in terms of performance," predicts LaBant.

He envisages an eight-processor engine operating at 200m instructions per second – as powerful as the most powerful mainframe IBM makes today. But he emphasised that even the biggest AS/400s would not replace the largest mainframes IBM will build in future. LaBant believes the physical size of the smallest AS/400 will eventually shrink from desktop to laptop and even to palmtop.

On the challenge from open systems, and in particular from Unix, LaBant says, enigmatically,: "Open versus closed: good versus evil. It is an interesting discussion."

LaBant argues that the initial cost of a Unix system may be lower than the AS/400, but over time the Unix and other competitors will cost more, given the level of features already built into IBM's AS/400 machines. "The operating system has a lot of built in functionality – relational database, systems management capability, networking capabilities, security management and print functions."

He has no plans to run Unix on the AS/400. Risc (reduced instruction set computing) processors are another matter. Risc involves the use of simple, high speed microprocessor chips, which trade off speed against complexity.

LaBant is already thinking about using risc processors in the AS/400 family. "We have three options – we could use a risc processor as the basic engine, as an input/output processor, or as a co-processor. We are experimenting with an AS/400 running in parallel with an RS/6000 chip. We want to see which of our customers might be interested in such a machine. If there is interest we might announce it in 18 months."

Bond dealers, for example, would find such machines useful for both data processing and numeric calculations.

On the question of which computers to use for particular tasks, LaBant's answer is again well-rehearsed. Where the application is commercial, involving a high level of transaction processing with frequent calls to the database, the AS/400 should be the preferred choice. Where work is mainly scientific or technical, the choice should be the AS/400.

The arguments are persuasive, but so are the opposing views held by IBM's competitors: namely that open system and risc offer greater cost benefits. The continuing success of AS/400, however, is critical to IBM's own recovery from the damage inflicted by today's stagnant computer market.

WORTH WATCHING

by Della Bradshaw

The cheaper way to powerful PCs

WHEN your personal computer runs out of speed for the tasks needed, there are two alternatives: upgrade the processor or buy a more powerful machine.

Upgrading the processor, by adding a further board to the PC, can often prove as expensive as buying a new machine. With this is mind Acer, the Taiwanese PC maker, has introduced "ChipUp", a way of upgrading the PC simply by replacing the main processor chip.

By prising the old chip away from the printed circuit board and replacing it with the new one the machine automatically takes on the extra power and speed, as the input and output systems have been developed to handle the extra capacity.

The first machine to incorporate the patented technology is a 486SX machine, which can be upgraded to run on a 486DX processor. The cost of the upgrade is that of the Intel chip.

Creaming the fat

A FAT substitute made entirely from milk, and which can reduce the fat content of creamy-tasting ice-cream from about 10 per cent to just 1 per cent, has been launched in Canada by Ault Foods, of Toronto.

The company is using the Dairylight fat substitute in its "Sealtest Parlour" ice-cream brand; eventually the substance could be used in cheese, spreads and other dairy products.

To make Dairylight the company removes fat from milk and treats the protein milk solids through a patented filtration and temperature control method to give the creamy texture of full-fat milk.

Ault has also developed a completely fat-free version of the food, but felt it slightly impaired the taste of the ice-cream. Dairylight is being used in a liquid form, but Ault plans to have a powder version available soon which could be sold to other dairy product manufacturers.

A store of knowledge

KEEPING a track of the latest stock and sales information in the retail trade can often mean stores having to constantly upgrade or change their electronic point of sale (Epos) equipment. That can mean changing the software at head office for sending information to and fro.

Digital Equipment has developed a software system that sits between the Epos retail systems and the head office business systems to enable them to communicate effectively, regardless of the supplier of the hardware – DTS, IBM, ICL, Siemens-Nixdorf or Telxon.

Intended for the medium to large retailer, Decartian, as it is called, could also prove effective for retailers which acquire other outlets and otherwise might have to replace the Epos systems in the newly-acquired stores.

Decartian runs on the Vax computer range and manages the flow of information from the central office back to the individual retail outlets, as well as polling the Epos systems in the stores for data.

Testing brain disorders

A FOUR-year old Massachusetts pharmaceutical company has filed an application with the US Food and Drug Administration to begin human trials of a compound which could result in the more effective treatment of brain disorders.

Today, many standard pharmaceuticals cannot be used to treat the brain because of the blood-brain barrier, which prevents substances with a large molecular structure from entering the brain from the bloodstream.

Alkermes, of Cambridge, believes its RMP-7 compound overcomes the problem by temporarily loosening the tight junctions between the cells which comprise the blood-brain barrier. This allows small molecules such as drugs to enter the brain.

The use of RMP-7, which is a synthetic analog of a group of compounds known as receptor-mediated permeabilisers, could eventually be used to enable antibiotics to be used for the treatment of Aids-related brain infections, or for delivering chemotherapy drugs for the treatment of brain tumours.

Versatile copiers

ANYONE with a digital colour copier from Canon can now use the same machine as a scanner, to input colour pictures into desk-top publishing systems, or as a colour printer, thanks to a development in the UK.

Meterquest, of London, and Hawke, of Basingstoke, have developed an expansion card to fit into a PC to enable it to take pictorial data from the copier. The board incorporates an Inmos transputer – computer on a chip – to process the massive amount of data needed for colour image processing.

The time needed between inserting the image into the copier and the time it appears on the screen is 20 seconds. Once the image is scanned, it can be manipulated before being printed out using the same copier. The card is being distributed in Europe through Canon outlets.

Sound and light shocks

AN electronic gadget intended to reduce stress by bombarding the user with light and sounds is now available to French consumers.

Tested on top athletes over the past year by developers Alpha Energie of Pessac, France, the energizer works on the basis that the brain tends to take on the frequency of any stimuli to which it is subjected. Thus, says the company, by gradually generating stimuli to the ears and eyes on the same level as relaxing alpha waves, the machine creates a state of well-being.

The electronic box, headset and goggles can also reduce pain, says the manufacturer, which is looking for distributors outside France.

Contacts: Acer: Taiwan: 3 438 3188; UK, 0753 523024. Ault Foods: Canada, 416 626 1973. Digital Equipment: US, 508 493 5111; UK, 0695 230011. Alkermes: US, 617 4494 0171. Meterquest: UK, 071 378 5557. Hawke: UK, 0256 880800. Alpha Energie: France, 56 46 40 06.

THE PROPERTY MARKET

Funds aim to make a mark

By Vanessa Houlder

This week's launch of the first authorised property unit trusts (APUTs) just might turn out to be a landmark for the commercial property industry. If the funds take off, they will allow the industry to tap private individuals as a new source of investment finance.

The massive German funds, such as DEGI and DGI, show what can be done. In Germany, high-yielding property funds are seen as an attractive alternative to bonds or equities for long-term saving plans.

However, it [illegible] hard to see this type of property fund inspiring the same popularity here in the foreseeable future. "I think it will be some time before it really takes off," says Mr David Sproul, a property expert at Arthur Anderson, the accountancy firm. "We are not as a nation great savers. There is still a lot of concern about where the property market is going. People may be jaundiced by the state of the residential market."

[illegible] Malcolm Tibbits, a fund [illegible] Barclays Unicorn Property Trust, a [illegible] fund which [illegible] authorised this week, acknowledges [illegible] problem. "[illegible] is more difficult to promote something when there has been a downward movement in values," he says. "People will be mindful of what has happened recently to [illegible]."

However, the new funds claim that their [illegible] in [illegible] assumption that the property market has hit bottom. "The [illegible] is counter-cyclically," [illegible] Mr Chris Laxton, a fund manager behind the £53m Norwich Union Property Trust, which was also launched as an APUT this week. "The small investor usually tends to come in at the top of the market and get out at the bottom."

Certainly, no one will be buying on the crest of a wave, this time. Since the Norwich Union Property Trust was launched a year ago, with institutional funds, the price of the has dropped from £1 to 80.8p.

RENTAL GROWTH (%)

	Retail	Office	Industrial	All Properties
Year to July 91	0.9	−3.9	2.3	−0.7
Quarter to July 91	−0.5	−2.7	0.1	−1.2
Month of July 91	−0.1	−0.7	0.2	−0.3

Investment Property Databank

[illegible] embarrassing fall was largely due [illegible] the [illegible] performance of property company shares, which account [illegible] per [illegible] the fund in an [illegible] ease liquidity.

Perhaps a greater deterrent is the [illegible] long-term performance of the [illegible] Property Trust, which [illegible] up [illegible] ago [illegible] Barclays' private clients. [illegible] the fund [illegible] kept [illegible] with the average performance of the property market and yet anyone who put £1,000 into the Barclays Unicorn Property Trust at its launch and reinvested the income, would now be able to collect just £4,753. The cost of living has gone up sixfold in the period.

Although the new funds believe that, by and large, the market has hit bottom, it is hard [illegible] envisage a rapid turnround in the next couple of years. "It is a long-term investment. We are not expecting a blaze of glory on day one," says Mr Laxton. In the short term, income, rather than capital gain, would be the main attraction [illegible] trust, he says.

"We are not putting it forward as an alternative to equities," he [illegible] trying [illegible] cation." However, [illegible] the convulsions of the past year it may be difficult to persuade private investors of property's traditional [illegible] of stability and counter-cyclicality [illegible] equity [illegible].

Private investors might also be put off by [illegible] of enthusiasm for property [illegible] by [illegible] pension funds. Indeed, at the [illegible] time [illegible] Norwich [illegible] launching [illegible] new unit trust, its life fund is reining [illegible] its property holdings and has [illegible] sold [illegible] of its buildings to the trust.

Another worry for investors is [illegible] illiquidity of [illegible] investments. Investors may [illegible] crash, when they [illegible] they [illegible] not [illegible] out of [illegible] their [illegible] not [illegible] enough.

Property [illegible] be particularly [illegible] by [illegible] experience of Rodamco, [illegible] fourth-largest [illegible] erty [illegible] year, [illegible] it [illegible] to stop buying [illegible] net asset value [illegible] the nosedive in the UK and US property markets.

In an attempt to overcome this, the Securities and Investments Board, the City regulator, insists that only 80 per cent of the funds in the new trusts should be put into property. Moreover, the funds have the ability to restrict individual holders to 10 per cent of the fund. "We won't be held to ransom," says Mr Laxton.

A glut that will not go

First, [illegible] good news: [illegible] which [illegible] offices are coming on to the collapsing [illegible] is slowing, writes Vanessa [illegible].

In the three [illegible] June, the central London office mountain [illegible] by 1.5m sq ft. While this addition is [illegible] tial in [illegible] and brings [illegible] total [illegible] in a [illegible] sq ft it is [illegible] half the [illegible] in each [illegible] previous [illegible] ters.

The [illegible] slowdown will [illegible] help remove the glut. A report [illegible] Tewson Research, the [illegible] surveyor, [illegible] occupi[illegible] crumbling. The central London [illegible] take-up [illegible] a [illegible] than 60 per [illegible] the 1987 peak.

"If take-up remains [illegible] subdued level, available office [illegible] to rise over [illegible] remainder [illegible] this [illegible] 1992," says [illegible] Tewson. Vacancies in central London [illegible] likely [illegible] an unprecedented [illegible] per [illegible] year.

The City, [illegible] usual, [illegible] biggest show of "To Let" boards. However, new develop[illegible] relatively

[illegible] for several [illegible] present [illegible] of 18 [illegible] will probably [illegible].

The City [illegible] competing for [illegible] with Docklands, which [illegible] a surplus of large [illegible] "The [illegible] is hampered by [illegible] over-supply of [illegible] in [illegible] City, while [illegible] City's position is put at [illegible] by [illegible] plentiful [illegible] quality buildings [illegible] rents in Docklands," [illegible] Debenham [illegible].

In [illegible] End and London's "mid-town" markets, where [illegible] per [illegible] and 15 [illegible] respectively, most surplus [illegible]

[illegible] potential [illegible] with [illegible] will not [illegible] wide choice [illegible] large, quality units [illegible] unlikely [illegible] repeated within [illegible] next [illegible] possibly longer," [illegible] Debenham Tewson.

However, relatively few businesses can take [illegible]vantage [illegible] this situation. Demand [illegible] shrinking to early [illegible] levels [illegible] and a fundamental review of employ[illegible] levels by many big central London [illegible] employers.

Redundancies have afflicted financial services firms, accountants, management consultants, advertising agencies, and [illegible] staff. Only solicitors, insurance companies and [illegible] businesses are actively looking [illegible].

Even [illegible] mined [illegible] move are being frustrated. Getting rid of a rump of a [illegible] can [illegible] difficult at a time of severe property oversupply. "The [illegible] of incurring [illegible] overheads on [illegible] dation costs [illegible] a major [illegible] cle [illegible] improvement in demand," [illegible] Debenham.

The problem is worsening. As rents fall, tenants are increasingly finding they have to pay more than the market rent. They (or their new landlord) may [illegible] to make up [illegible] difference if they [illegible] a new [illegible] take the [illegible] off their hands.

As a result, the rent price war alone may not be enough [illegible] stimulate demand. "Economic [illegible] needs [illegible] have taken a firm [illegible] and the risk of double overheads minimised before tenants [illegible] respond in [illegible] the blandishments [illegible] low rents," [illegible] Debenham Tewson.

BUSINESS FOR SALE

The Patent Die-Castings Company Limited

(In Administrative Receivership)

The Joint Administrative Receivers offer for [redacted] the [redacted] of this well [redacted] company:

Principal features include:

- [redacted] sq. ft leasehold premises with offices in Acton, London NW10
- [redacted] aluminium pressure [redacted] casting machines ranging from 150-450 tonnes.
- Selection of presses.
- Miscellaneous toolroom machinery.
- Tooling and dies relating [redacted] established customer base.

For further information contact the Joint Administrative Receiver, Paul Jeffery, KPMG Peat Marwick, P.O. Box 730, 20 Farringdon Street, London EC4A 4PP, Telephone 071-236 [redacted] Fax 071-248 1790.

KPMG Corporate Recovery

Eurotype 2000 Limited

The Joint Administrative Receivers offer [redacted] sale, [redacted] a going concern, the business and assets of Eurotype 2000 Limited.

The company, [redacted] in Hertford, was established in 1974 and specialises in computer typesetting.

Salient features include:

- Annual turnover approximately £450,000.
- Freehold premises in Hertford.
- Machinery and equipment.
- Prestigious local customer base.
- [redacted] workforce of 14 employees.

For further information [redacted] the Joint Administrative Receiver, Tony Thompson, KPMG Peat Marwick, Aquis Court, 31 Fishpool Street, [redacted] Albans, Hertfordshire, AL3 4RF.
Telephone 0727-43000. Fax: 0727-41005.

KPMG Corporate Recovery

TWA – TAYLOR WOOD AUCTIONEERS PTY LTD

MAJOR TWO DAY DYE HOUSE PUBLIC AUCTION SALE

Thursday 19th [redacted] Friday 20th September 1991 at 10.00am (Note Time)

[redacted] Ellis Street, South Yarra, Victoria, Australia

DYE WORKS PLANT AND EQUIPMENT

Day One

Dye Room 2 Pozzi 600kg x 1800mm 8 Point Hydro Extractors, 2 Fongs MK5-140-4LT High Temperature Dying Machines, [redacted] AK Model AK-L600-600kg [redacted] Winch Dying Machines, [redacted] AK Model AK-L400-400kg 4 Winch Dying Machines, [redacted] AK Model AK-L200-200kg [redacted] Winch Dying Machines, Yu-Sheen HPJ-80-1.1830-80kg Jet Flow Dying Machine, [redacted] HPJ-200-1.3050-200kg Jet Flow Dying Machine, [redacted] Krantz 1500mm 375kg Hydro Extractors, 2 AK Model AKSF 200-200kg 3 Winch Dying Machines, Applied Colour Systems Dye Mini Frame Computer System, MCS 800kg High Pressure Dying Vessel, Burton [redacted] ALM 72" [redacted] 60" Hydro Extractors, 2-48" Circular Dying Winches, 2-24" Circular Dying Winches, [redacted] Argelich Termes Type 5300E Twin Chamber Jet Pressure Dye Vats, 2 Gaston Country [redacted] Port Model V1006-79 Jet Dyers, Gaston Count [redacted] Port Model ARN-VI-13-80 Jet Dryer, NOTE: All Dying Machines fitted with Automatic Water Level Control Systems.

Brush Room [redacted] Comet Mini Maxi 46" x 28 Brushing Machines Model CYGNUS-XI, 3 Gessner S/N NH475, [redacted] Fabric Brushing Machines, 19 [redacted] Overlockers, [redacted] Osprey Dust Collection Units, Mario Crosta Type BN 24m-1968 96" Brushing Machines.

Finishing LK & LH Type 81-04-2000 2 Metre Wiode Strento (1989) LK & LH Type CD-5-2500 Gas Fired Fabric Dryer, LK Type CD [redacted] Bay Continuous Fabric Dryer (1986) Passat Gas 5 Chamber Fabric Drying Tunnel, [redacted] Abcon 96" Dia. Carousel Tables, 3 Bitavena Satching Opening and Slitting Machines, Fabcon Tubular Tentor S/N 808, Fabcon Pad Machine S/N SO122, Gas Heater Fabric Peg Machine, Zollig Power Packs, Bruckner 260cm Gas Fabric Stentor Model GN76-150-180-1, 2 Edward Kusines Pad Mangles, Artos 650cm Gas Fabric Stentor.

Dye Mix Station Persch 41 Vat Dye Mixing Station, 16 [redacted] Steel 1500 Litre Bulk Chemical Storage Tanks, Lower Double Sided Drum Paternoster Elevator Storage Systems, Stainless Steel Semi Automatic Computerised Liquid Dosing Station with 20 Outlets, Persch Manual 72 Station Liquid Dispensing Station, 2 Cold and 2 Hot Water 16,000 Litre Water Storage Systems with Pumps

AUCTIONEERS – VALUERS – INDUSTRIAL PLANT AND MACHINERY
304 Lorimer Street (Cnr. Todd Road), [redacted] Melbourne, Victoria 3207, AUSTRALIA
Telephone: [redacted] 613 646 2499 Fax: 010 [redacted] 5587
Colour brochures are available from
GRIMLEY J [redacted] EVE, ENGLAND – [redacted] 200 3040

FOR SALE

JOINERY MANUFACTURER/ [redacted] FITTER

Quality company with comprehensive manufacturing facility in joinery and plastics

- Midlands based
- Turnover £2.0/2.5 Million
- Freehold Factory £30,000 sq ft
- Skilled Labour Force
- Well equipped Manufacturing [redacted]

Write [redacted] Box H9670, Financial [redacted] London [redacted] 9HL

FOR SALE ADVERTISING AGENCY

In Seville (Spain), 1 km from "Expo '92". Full work load. High-tech equipment. Creative. Solvent. IBM [redacted] 400. Plateau [redacted] Design Studio, 400 m² in property.

Contact Tel: 010-34-54-224791.
Fax: 010-34-54-228111
Fluent English spoken.

BUSINESS AND ASSETS Of solvent and insolvent companies for sale. Business and Assets. Tel 071 262 1164 (Mon - Fri)

PUBLIC COMPANIES For sale. PLC's for immediate trading, complete with 117 Certificates. Share capital requirements satisfied. No further funds required. £495.00 each + VAT. Phone. 0842 780856, Fax 0842 751629. A.D.R. Capital Finance (Cambridge) PLC.

NATIONWIDE SLATE PRODUCTS LIMITED
(In Administrative Receivership)

The Joint Administrative [redacted] H C Brunt and [redacted] W Rhodes [redacted] for [redacted] and [redacted] of the above company [redacted] a partially developed, fully operational [redacted] quarry near Ffestiniog, [redacted] Wales.

- *Forecast production of [redacted] per week.*
- Minimum [redacted] of [redacted] years.
- [redacted] workforce and management [redacted]
- Blue/grey [redacted] roofing [redacted] to [redacted]
- Unexpired [redacted] term of 15 years.
- The [redacted] further [redacted] quarries potentially [redacted]
- Aggregate potential.

If you require any further information please [redacted] either Mr H C Brunt [redacted]
Mr I J Gould [redacted]
Kidsons Impey
Bank House
8 Cherry Street
Birmingham B2 5AD.
Tel: No. [redacted] 2631 [redacted] No. [redacted] 236 2856

KIDSONS IMPEY
Chartered Accountants

WEST-GERMANY COMPANIES FOR SALE IN KEY INDUSTRIES:

AUTOMOTIVE SUBCONTRACTORS, 3 companies: brake parts, electronics, radio + mobile phone equipment
AVIONICS: radio equipment manufacturer
TEXTILE RETAILING: 2 chains
TEXTILE MANUFACTURING: working clothes
ENVIRONMENT PROTECTION: Holding with patents in hospital waste processing

For further details contact
W.F. Rücker
+ P.Rudolph Int'l. Consulting
FAX: West-Germany
(49) 2205-8 19 84

On the instructions of B. S. Creber and J. H. Priestley, of Poppleton & Appleby the Joint Administrative Receivers of Optical Core Technology Ltd

F O R S A L E

The Business & Assets of a Highly Reputable Fibre Optic Components Supplier, Designer & Installer

- Turnover Y/E 30 June 1990 approx £1·75m
- Region of 30 highly skilled employees
- Established blue chip client base with substantial order book
- Modern leasehold premises at Listerhills Science Park, Bradford, West Yorkshire

Weatherall Green & Smith
19 King Street Leeds LS1 2HP
0532-442066

Market Rasen Engineering Limited

In Receivership

The business and assets of this highly specialised Harvester Manufacturer are offered for sale. The company manufactures pea and bean harvesting machines from its leasehold premises at Market Rasen, Lincolnshire.

- 49,000 square feet leasehold factory
- skilled workforce (approximately 20 employees)
- turnover £3.2 million
- [redacted] quantities [redacted]

[redacted] please [redacted] Stephen J Taylor or Jill [redacted] Gully, [redacted] House, [redacted] Park Row, Nottingham, [redacted] 6FY.
Tel: 0602 [redacted] Fax: 0602 410192

Cork Gully is authorised in the name of Coopers & Lybrand Deloitte by the Institute of Chartered Accountants in England and Wales to carry on Investment Business

FOR SALE

Central [redacted]
Long [redacted]
building business
Proprietor considering retirement
Turnover £1-2 million.
[redacted]
& management
Principals only Write [redacted] Financial Times, [redacted] Southwark Bridge, [redacted] SE1 9HL

NORTH CAROLINA

For sale by owner, 15,000 acres. High and dry w/large peat deposits. $13,500,000 [redacted] offer. Owner financing available. Serious inquiries only.

Write Box H9627
Financial Times,
One Southwark Bridge,
LONDON. SE1 9HL

Touche Ross

North East Insulation (Newcastle) Limited
(In Administrative Receivership)

The Joint Administrative Receivers, L. H. Gatoff and I. Brown, offer for sale the business and [redacted] of the above company.

- ☐ Principal activities [redacted] those of insulation engineering including pipework insulation and asbestos removal.
- ☐ Freehold premises.
- ☐ Established workforce.
- ☐ Quality customer base.
- ☐ Annual turnover £1 million.

For further details please contact W. Paxton or P. W. Gray at the address below.

93a Grey Street, Newcastle Upon Tyne NE1 6EA
Tel: 091 261 4111 Fax: 091 232 7665

DRT International

Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business

Smith & Williamson

Corporate Recovery · Litigation Support · Corporate Finance · Taxation · Banking
Investigations · Investment Management · Pensions & Life Assurance · Accounting · Auditing

The Joint Administrative Receivers offer for [redacted] and [redacted]

WEYERS BROTHERS LIMITED

The business comprises the manufacture and sale of precision gear units, primarily for the defence industry.

- ★ 1.1 [redacted] freehold site with further planning permission.
- ★ Workshop, office accommodation and parking facilities.
- ★ Experienced and trained workforce.
- ★ Forward order book of £270,000.
- ★ Turnover circa £700,000.
- ★ [redacted] chip customer base.
- ★ MOD AQAP 4.

For details, contact Iain McAdam on 081-508 3886 or Peter Yeldon on 071-637 5377 at the offices of Smith & Williamson, No. 1 Riding House Street, London W1A 3AS. Fax: 071-323 5683.

Smith & Williamson, Chartered Accountants
Authorised by the Institute of Chartered [redacted] England and [redacted] carry [redacted] investment business

[redacted] & Williamson Securities
Authorised institution under Banking Act 1987.
Member of IMRO. Member of the British Merchant Banking [redacted] Securities [redacted] Association

ALLMAT LIMITED
(In Administrative Receivership)

The Joint Administrative Receivers offer for [redacted] and [redacted] of [redacted] long established supplier of specialist [redacted]

- Freehold land and buildings, comprising approximately 20,000 [redacted] of office and warehousing accommodation located in South Croydon.
- [redacted] property rights.
- Turnover to March 1991 approximately [redacted]
- Nationwide distribution network to [redacted] merchants.
- Over 1,200 [redacted] accounts.

For further [redacted] please [redacted]
P W G DuBuisson
Joint Administrative [redacted]
[redacted] Hamlyn
20 Old Bailey
LONDON
EC4M 7BH
Tel: [redacted] 9000
Fax: 071 489 6295

BDO BINDER HAMLYN

Chartered Accountants

Authorised [redacted] Institute of Chartered [redacted] in England and Wales [redacted] carry [redacted] investment business.

PRIVATE LIMITED COMPANY FOR SALE

[redacted] client is a manufacturer of electrical components, [redacted] in leasehold premises in South East England, with an annual [redacted] of approximately [redacted] employing 40 people. They have a [redacted] spread of customers, predominantly in the automotive, domestic appliance [redacted] computer [redacted] in the region [redacted] £250,000 [redacted] sought.

Write to Box H9645, Financial Times, One Southwark Bridge, London SE1 9HL.

FOR SALE SHEET METAL ENGINEERING COMPANY

Located Cambridgeshire. Privately owned - C.N.C. Machinery. Own product range of industrial storage systems - plus subcontract work.

Write [redacted] H9662, Financial [redacted] One [redacted] Bridge. [redacted] SE1 9HL

Well established expanding German middle-sized ladies' shoe factory through retirement for sale. Latest technology, high quality products with established market share - at home and abroad - good location for transport [redacted] price: [redacted] Million.

Write Box H9553, Financial Times, [redacted] Southwark Bridge, London SE1 9HL

COMPANY NOTICES

NEW KLEINFONTEIN PROPERTIES LIMITED
(Incorporated in South Africa)
Reg. No. 01/00854/06
PROFIT ANNOUNCEMENT

FINANCIAL

The audited results of the Group's operations for the year ended 30 June 1991 are as follows:

INCOME STATEMENT	30 June 1991	30 June 1990
	[redacted]	R000
Turnover	8 779	8 939
Operating Income	6 013	6 048
Taxation	2 311	2 729
Net Income attributable to shareholders	3 702	[redacted]
Net loss attributable to [redacted] shareholders	195	–
	3 507	3 319
Extraordinary Item	1 200	–
	4 707	[redacted]
[redacted] to Non Distributable Reserves	1 200	–
	3 507	3 319
Earnings per share (cents)	174.5	165.1
Dividends per share (cents)	62.0	50.0
Dividend cover (times)	2.8	3.3

DECLARATION OF FINAL DIVIDEND

NOTICE IS HEREBY GIVEN that [redacted] No.95 (Final) of 46 cents per share (1990 - 34 cents) for the year ended 30 June 1991, has been declared payable to holders of ordinary shares registered in the books of the company at the close of business on 9 October 1991, and to persons presenting Coupon No. 195 detached from Share Warrants to Bearer.

Warrants in payment will be posted on or about 1 November [redacted]

Non-resident shareholders' tax at the rate of 15% will be deducted where applicable.

The conditions applicable to this dividend can be inspected at the Johannesburg and U.K. offices of the company.

The 1991 Annual Report will be mailed to shareholders on 24 September 1991.

ENCASHMENT OF COUPON NO. 195

The dividend on shares included in Share Warrants to Bearer will be payable on or after 4 November 1991 to persons presenting Coupon No. 195 at the U.K. office or at the office of Credit du Nord, 6-8 Boulevard Haussmann, 75009, Paris. Coupons presented at the U.K. office will be subject to deduction of United Kingdom Income Tax unless accompanied by Inland Revenue declarations.

NOTICE OF NINETY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ninety-fifth annual general meeting of members will be held in the board room, 2nd Floor, AFC House, 25 Wellington Road, Parktown, on Wednesday, 30 October 1991, at 10h30.

[redacted] ORDER OF THE BOARD

[redacted]. Mackenzie) Chairman
G. Fischer) Managing Director

[redacted] August 1991

Registered Office: 25 Wellington Road PARKTOWN, 2193.

Transfer Secretaries: Barclays Registrars Ltd 34 Beckenham Road, Beckenham, KENT BR3 4TU

U.K. Office: AFC Investments Ltd. c/o Mr. R.S. Brunt, P.O. Box 1306, Hockley, Essex SS5 5BQ

CONTRACTS

North Sea project

A £7m contract for a sulphate removal package has been awarded to WEIR WESTGARTH by Matthew Hall Engineering, on behalf of AGIP, for the Tiffany field.

The plant will [redacted] sulphates and other divalent ions from injection water used to enhance oil recovery. The removal of [redacted] ions will reduce the tendency [redacted] barium sulphate and strontium sulphate scale to form in the res[redacted] production tubing and vessels.

In [redacted] past the problem of scale formation has [redacted] tackled by chemical [redacted]ing. The new method, based [redacted] nano-filtration technology, is [redacted] membrane [redacted] developed jointly by Marathon Oil and Dow Chemicals' using FILMTEC [redacted] nano-filtration membranes.

Under an agreement with Marathon and Dow, Weir Westgarth has exclusive rights to use the process and membranes in North Sea applications.

The Tiffany plant will treat 888 cu metres of sea water an hour, working at 75 per cent recovery to produce 666 cu metres an hour (100,000 barrels per day) of treated seawater with a maximum sulphate content of 150 parts per million.

The package forms a structure consisting of a base and [redacted] upper decks. [redacted] uses [redacted] pressure pumps [redacted] more than 900 FILMTEC NF40 nano-filtration membranes together with [redacted]ventional cartridge filters.

Delivery of the package, designed [redacted] Westgarth, is scheduled [redacted] January [redacted] to meet a critical weather window for the main platform.

Supplying printer servers

EMULEX [redacted] won a £3m [redacted] from Hewlett-Packard [redacted] provide Emulex Perfor[redacted] distributed printer servers for HP's internal local [redacted] networks in more than 20 locations worldwide.

Using [redacted] TCP/IP communications protocol the [redacted] will enable HP computer users [redacted] valuable printer [redacted] plotter resources at centrally located print stations. Up to four printers, running at up to 3,000 lines per minute, may be supported simultaneously thanks [redacted] Emulex's proprietary 25 MHz I/0 processor working in [redacted] a [redacted] 10 MHz M0S central processor.

Factory expansion plan

[redacted] CONSTRUCTION, a [redacted] Company, [redacted] a [redacted] management [redacted] to build and fit out a 32,000 sq ft extension in Market Drayton, Shropshire, for Palethorpes, [redacted] subsidiary [redacted] Northern [redacted]

Work [redacted] month [redacted] a 32-week [redacted] build [redacted] predominantly single-storey, [redacted] the existing factory.

The building envelope will [redacted] single membrane roofing [redacted] profiled metal [redacted] ding [redacted] wall linings.

All internal surfaces will be fully washable to maintain the high [redacted] of hygiene required.

The new extension will house an automated "in line" facility consisting of [redacted] production area, travelling ovens, cooling plant, wrapping and despatch chilling [redacted] sausage [redacted] and pasties [redacted]

Electrical services work

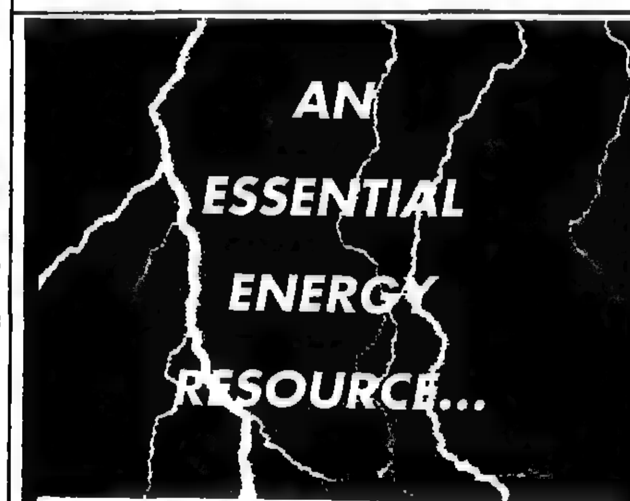
A [redacted] contract for [redacted] services in [redacted] 16 John Dalton Street, Manchester, [redacted] awarded to W A BOULTING.

The Warrington-based electrical contractor is [redacted]stalling mains [redacted] and general [redacted], power and fire alarms in an 11-level office block being built behind a retained Victorian venetian facade by Costain Construction.

Linkage [redacted] a building management [redacted] and provision of services [redacted] telecommunications, [redacted] conditioning [redacted] public [redacted] networks [redacted] form part of the [redacted] scheme, which will be completed to the [redacted] shell [redacted] The [redacted] is scheduled for completion in [redacted]

★ ★ ★

HALL & TAWSE, part of Raine Industries, has been awarded a £4m contract to build a regional blood transfusion centre in [redacted] Work on the new centre is due to be completed in the summer [redacted] 1993.



POWER IN EUROPE

The intelligence [redacted] provides objective, independent and critical coverage [redacted] European electricity [redacted]

ELECTRIC UTILITIES who rely on its unique coverage of their markets

ENERGY SUPPLIERS to track their major customers and their competitors

MAJOR ELECTRICITY CONSUMERS who are guided [redacted] future price [redacted]

EQUIPMENT MANUFACTURERS to assess sales prospects

[redacted] AGENCIES [redacted] enhance their [redacted] making [redacted]

INVESTORS, ANALYSTS [redacted] CONSULTANTS [redacted] monitor their [redacted]tments in [redacted] electricity sector

Latest Issue and FT 1991 Energy Catalogue available free. Attach your business card to this [redacted] and return immediately, or [redacted]

Liz Sinclair, Financial Times Newsletters, Tower House, Southampton Street, London, UK, WC2E 7HA
TELEPHONE: 071-240 9391
FAX: 071-240 7946

FINANCIAL TIMES
[redacted] FRANKFURT NEW YORK [redacted]

LEGAL NOTICES

MEETING OF CREDITORS
Pursuant to Sections 98, 99, 100 and 101 of The Insolvency Act 1986
KICKERY INTERNATIONAL PRODUCTS CORPORATION LIMITED

NOTICE IS HEREBY GIVEN pursuant to [redacted] 98 of The Insolvency Act 1986, that a meeting [redacted] the creditors of the above-named Company will be held at The Palace Hotel, 31 Great Cumberland Place, Marble Arch, London W1, on 17th September 1991 at 12 noon for the purposes provided for in [redacted] 98 et seq.

A list of names [redacted] addresses of the above Company's Creditors can be inspected at the offices of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB, between the hours of 10.00 am and 4.00 pm on the two business days preceding the Meeting of Creditors.

Dated this 29th August 1991
Jonathan M. Payne, Director

MEETING OF CREDITORS
Pursuant to Sections 98, 99, 100 and 101 of The Insolvency Act 1986
MIKE POPE LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 98 of The Insolvency Act 1986, that a meeting of the creditors of the above-named Company will be held at The Palace Hotel, 31 Great Cumberland Place, Marble Arch, London W1, on 18th September 1991 at 2.30 pm for the purposes provided for in Section 98 et seq.

A list of names and addresses of the above Company's Creditors can be inspected at the offices of Latham Crossley & Davis, 45 Conduit Street, London W1R 9FB, between the hours of 10.00 am and 4.00 pm on the two business days preceding the Meeting of Creditors.

Dated this 2nd September 1991
M. D. C. Pope, Director

CLUBS

EVE has outlived others due to policy of fair play and value for money. Supper from 10-3.30 am. Glamorous hostesses, exciting cabaret. 189 Regent St. W1.071-734 0557

Domestic display of Asian artifacts

Susan Moore admires the Walters collection in Baltimore

The Chinese Library in Hackerman House

Asian art seems to be the flavour of the 1990s – an echo of the Japonisme and passion for Chinese blue and white that swept Europe and America a century before. The last few months have seen major museum exhibitions of Indonesian art in the US, and the launch of a Japan Festival in Britain that must rank as the most ambitious arts festival ever staged. Next month Cleveland Museum of Art in Ohio presents what is billed as one of the most important exhibitions of [redacted] art held outside Japan.

A more durable expression of late-20th-century orientalism, however, is the recent resuscitation and rehousing of three of the world's most outstanding Asian art collections. Hitherto, all three were largely left sleeping in museum stores.

The new T.T. Tsui Gallery of Chinese Art in London's V&A enables the museum to display for the first time the whole range of its holdings, notably light-sensitive Tang Dynasty textiles and Imperial lacquer furniture. New annexes at the Musée Guimet in Paris and the Walters Art Gallery in Baltimore not only allow the museums to restore to public view long hidden works of art of superlative quality, but to present them more or less as their benefactors intended.

Emile Guimet had conceived of a museum of Japanese and Chinese Buddhist art. Such a concept found little support in secular Third Republic France after his death in 1918, and as the museum grew to absorb material from all over South-East Asia, Guimet's own collection receded from view. The French government's enlightened acquisition of a town-house beside the museum at No 19 Avenue d'Iéna at last provides for the Buddhist pantheon that Guimet envisioned.

The collection amassed in Baltimore by Walters père et fils is as eclectic as Guimet's is narrowly focussed. William Walters, whose fortune came from railroads and banking, had a penchant for 19th century painting and sculpture, and Chinese and Japanese art. Henry inherited his father's passions, and added to them a taste for Egyptian, medieval and Islamic art. William regularly opened his home to the public after 1873. Henry built a handsome neo-Renaissance gallery in 1904-9 in which, over the years, the Asian collections found ever diminishing space. By the 1970s, only 150 Asian works of art were on display; some 3,000 languished in store.

A solution to the acute space problem came when one of Baltimore's finest houses, a Greek Revival mansion of 1850, was bought by Willard and Lillian Hackerman and donated to the city in 1984. Given the house's proximity to the Walters, it was granted to the museum for use as an Asian wing. A new gallery of "The Art of India and South-East Asia" (primarily housing the Alexander B. Griswold gift of Thai sculpture) was constructed above its mews, and the courtyard linking house and museum glazed over to make a lofty, light-filled restaurant. This certainly trumps the V&A's "ace-caff". Its approach to presenting Chinese and Japanese art is also radically different.

In London we find the artefact as social history – a functional, mass-produced item is as valid a historical document as an exquisite rarity. Aesthetics are almost incidental. In contrast, the Walters offers an unashamed celebration of [redacted] and technical virtuosity, a heady attack on the viewer's senses. It is an academically [redacted] approach and it [redacted] triumph. There is no shortage of clear, intelligent information and no one is patronised. One leaves enriched and exultant.

The ground floor of Hackerman House retains its domestic character. Something akin to its original curtains, carpets and wallcoverings has been restored. The aim is to recreate an impression of a connoisseur's interior c. 1900. Old photographs of William Walters' house provide guidelines [redacted] pioneering oriental [redacted] displayed their trophies, but the clutter of his vitrines is pared down [redacted] coherent richness.

The great glory of [redacted] Walters [redacted] Asian collection [redacted] Chinese porcelain: [redacted] holding [redacted] 18th century [redacted] rivalled only by that in the V&A. The grand [redacted] long [redacted] parlour, [redacted] "The Great [redacted] Rooms", is lined with [redacted] arrangements of choice [redacted] blue [redacted] white, cloisonné, famille rose and famille verte, and garnitures range across the mantelpieces. A feast of variously glazed porcelains graced with 18th and 19th French mounts rise up in [redacted] central, Dutch-inspired [redacted] display. The [redacted] sumptuous.

William Walters' beloved monochrome porcelains glow in the tenebrous "Chinese Library". Especially [redacted] are the rare and [redacted] mottled "peach-bloom" and "ox-blood" wares, and [redacted] celadons and white ware. In pride [redacted] is the infamous 8in high Qing peach-bloom vase, purportedly [redacted] finest [redacted] of its class when William bought it in 1886 [redacted] the unprecedented and staggering sum [redacted].

To some [redacted] the honing down of the Chinese [redacted] nese porcelain [redacted] for display lends a misleading and rarified quality to the Walters' acquisitions, which [redacted] bought in bulk and [redacted] always with discrimination. Nowhere is this [redacted] apparent – [redacted] after considered curatorial [redacted] tillation – [redacted] in the [redacted] Japanese art, and [redacted] "Japa[redacted] Study" with its virtual bric-a-brac of arts [redacted] Japan 1816-1904. The [redacted] bought [redacted] 19th century Hirado porcelains, but they [redacted] purchased [redacted] elephant [redacted] with monkeys, [redacted] gilt pagoda-cabinet, and [redacted] kitsch carving [redacted] schoolgirl acquired at the Panama-Pacific Exposition in [redacted] in 1915. Here [redacted] brings [redacted] mind [redacted] Museum in Barnard [redacted] founders [redacted] shoppers [redacted] international exhibitions.

[redacted] into museum proper [redacted] climbing the house's elegant staircase. Rooms [redacted] funerary objects, exceptional early Buddhist sculpture – including the [redacted] Chinese lacquered wooden Buddha known to survive – Chinese scrolls, [redacted] screens, lacquers and [redacted]. [redacted] designers and curators [redacted] be [redacted] this sequence of perfectly judged installations. I [redacted] seen works [redacted] art – notably the inro and Japanese [redacted] – so beautifully [redacted] ented. Let us [redacted] keeper of the antediluvian Ori[redacted] Museum in Venice is planning a visit.

Adam was a Gardener

MINERVA THEATRE, CHICHESTER

Chichester is a place I always rejoice to revisit, but seldom does its theatre offer [redacted] play that develops the ideas the place lodges in my head: the historic past and the present, conservation and progress, an idyllic locale and man's work [redacted] nature. This [redacted] play, however, draws these threads together. Louise [redacted] has, in fact, written a modern rural ghost story, with an optimistic ending and this accurate subtitle: "An evocative love affair [redacted] the past and the present." A highly [redacted] ward type of play, I hardly need to remark.

Doubts, however, are [redacted] allayed by the sensitive intelligence of Page's writing. Annie, [redacted] young woman with [redacted] young son, has, after [redacted] nervous breakdown, abandoned [redacted] lucrative advertising career. Now, working for her entrepreneur brother Luke, she reconstructs [redacted] made two centuries ago by [redacted] explorer-botanist Richard Stephens. Gardening [redacted] her therapy; but, when Luke buys the original journal Stephens kept when building the garden, Annie [redacted] so fully into Step[redacted] garden [redacted] world that [redacted] see him; [redacted] converse with him.

This doesn't surprise us greatly, [redacted] he, his wife [redacted] patron have already appeared [redacted] in [redacted] see how for Stephens then, as for Annie now, the garden sublimates personal desires and frustrations.

Annie's interest [redacted] Stephens [redacted] beyond archivism. She understands his ardour to invest in the future; she is, in fact, the very woman of the future for whom he made the garden. And from this she finally learns to invest in her own life. It is not hard to find fault here. Some of the dialectic about "the past" and "the future," at once too artful and too heavy, keeps verging on corniness. relationship between Annie and Luke is not at first clear enough; in their first two scenes you could, I think, take him for her (unfeeling) husband. The unhappiness that afflicts Annie is left far too vague.

Still, the play's virtues easily carry the day. Here are some of its [redacted] remarkable feats. We always see both how the char[redacted] and how they look to others; in particular, we can be caught up in Annie's visions and yet still see how [redacted] she might [redacted] others. We can interpret [redacted] in [redacted] *of* [redacted] *Screw*) the scenes [redacted] Stephens and Annie as [redacted] phenomena or as the [redacted] projections [redacted] her [redacted]. The writing [redacted] late-18th-century [redacted] remarkably natural, with only [redacted] anachronisms.

[redacted] present it works mainly like a [redacted] radio play. This [redacted] largely because the black backdrop of Paul Farnsworth's designs (otherwise admirably economical) fails to conjure up any sense of outdoor place. The [redacted] a fine one. Sharon Maugham (she [redacted] Gold Blend couple) is an attractive Annie, though too temperamentally normal; a dash more neurosis and individuality would heighten matters considerably.

As Stephens, Simon Dormandy is outstanding, with just [redacted] nervous intensity and commanding personality I mean. Some of the best writing goes to the secondary figures – Stephens's unhappy wife, Annie's difficult little [redacted], and [redacted] gardener Mr [redacted] – [redacted] played with [redacted] by [redacted] Markham, [redacted] Scott and Geoffrey Freshwater. Caroline Sharman directs, and must be largely [redacted] for the [redacted] with which [redacted] tricky [redacted] endeavour succeeds. I found *Adam was* [redacted] utterly absorbing. Its central dilemma – largeness [redacted] spirit [redacted] anguish – s[redacted] home with deli[redacted] with force.

Alastair Macaulay

Blue Night in the Heart of the West

BUSH THEATRE

Alastair Muir

Lynne Verrall and Tom Mannion

The new plays so far provided by this decade have been a pretty earthbound lot, so it is with a frisson of excitement that one witnesses a new young writer unfurling his wings; it is impossible to tell yet whether they will prove capable of long-haul flight, but at least they have lifted him, and us, above the imaginitive rut into which the fringe seems to have trundled itself.

[redacted] play *A Pricksong for the New Leviathan*, premiered [redacted] Isling[redacted] Old Red Lion in 1989, established him as [redacted] promising new presence; his third, produced under the patronage of Barclays New Stages, is [redacted] richly imagined, chaotic and scurrilous look at one of the cardinal tensions of our age: between the [redacted] and the stay-at-homes; the former often in futile search of [redacted] better life; the latter armed with shotguns to keep [redacted] out.

It is [redacted] global issue, but Stock does not generalise, reducing his canvas to a hapless Scots laddie, bent on self-betterment, and the Iowa outback [redacted] which an ill wind blows him in search of the promised land. Leaving behind the cosy mythology of his Scots ancestry (a reeling spectral grandfather who scorns his attempts to claim heritage by wearing a kilt), Andrew clings to the shears that are the tools of his gardening trade.

After losing all his money in an elaborate New York heist, he arrives in a small-town US which disowns its daughters for the [redacted] it [redacted] in its [redacted]. Ingenuously, he [redacted] into [redacted] community madness – of mutilation, self-abuse and illicit consumation – which adds echoes of Peter Greenaway's films [redacted] a splat of references ranging from a reality-warping [redacted] *of Oz*-style cyclone to distorted lines from the poetry [redacted] T.S. Eliot.

It is not always easy to keep up with it all, [redacted] Stock has a clever knack of deflecting irritation with moments of irris[redacted] humour, often based [redacted] strikingly perceptive observation. The New York heist, for instance, is no ordinary mugging, but [redacted] confidence trick involving [redacted] phony Polish down-and-out, masquerading first [redacted] corpse, and then as [redacted] destitute seller of religious [redacted] who just happened to be taking [redacted] nap on the sidewalk. [redacted] absurdity of the situation reveals the [redacted] vulnerability [redacted] cultural outsider whose codings are adjusted so as to make it impossible for him to imagine that such an apparently vulnerable figure could be a racketeer.

This deflationary humour is finely sustained [redacted] Sallie Aprahamian's direction, which allows poetic interludes – such as the repeated [redacted]resence of [redacted] languid dancer behind a gauze – to co-exist with brutal [redacted] of death and decay. She has a filmic ability to focus in from a big scenes to something as small and detailed as the human hand, writhing in [redacted] single spotlight.

The performances [redacted] superb, grainy, committed, from Matthew Zajac's likeable ingenu, to Virginia Rad[redacted] l[redacted] manipulator; from Lynne Verrall's grim-faced matron [redacted] primitive sexuality [redacted] Tom Mannion as her farmer son. Where it all gets us I'm not sure, but it is certainly far from the beaten track.

Claire [redacted]

Two Musicals

[redacted] missed the last 15 minutes [redacted] so [redacted] *Wuthering Heights* (Old Fire Station, Oxford) [redacted] train [redacted] London [redacted] back [redacted] London remarkably early. Most people would probably prefer [redacted] first 15 minutes where the show [redacted] shape. In [redacted] intervening couple of hours, however, it is clear [redacted] something rather ambitious [redacted] trying to [redacted] out.

This *Wuthering Heights* is misleadingly billed as a musical. Although [redacted] more than a touch of Sondheim in it, [redacted] is much closer [redacted] Benjamin [redacted] than it is [redacted] the [redacted] musicals. It is an opera in all but name. The composer is Martin [redacted] and practically all [redacted] (very experienced) performers have more [redacted] a background in music than in the straight [redacted].

[redacted] far, [redacted] is only partially [redacted]. One of the [redacted] in [redacted] epic [redacted] Emily [redacted] epic novel. [redacted] be [redacted] whether it can [redacted] with only [redacted] pianos and no other instruments, though it is still [redacted] pretty bold attempt. It [redacted] plain, at [redacted] from this production, [redacted] not all the [redacted] lend themselves as easily to operatic treatment as others. [redacted] a big question mark [redacted] Hindley Earnshaw who emerges more as a straight lout than any kind [redacted] tragic figure. Yet there is no [redacted] about Cathy as sung and played by Fiona O'Neill. [redacted] O'Neill has voice, pathos, tragedy [redacted] some wonderful [redacted] sions.

One would not dream of making a final judgment of a production still in its experimental stages, even though the company has willingly exposed it to the critics. It is enough to say that the Old Fire Station in Oxford [redacted] emerged as a [redacted] exciting place. Here is small theatre, backed by Cameron Mackintosh, carrying experimentation with musical theatre to its sensible limits. If Stephen Tate, the director, can find [redacted] more certain start and delete some spitting that mars the first few minutes, this production might well take off.

*

Meanwhile, anyone [redacted] why [redacted] English [redacted] new [redacted] might like to look at *Good Golly Miss Molly* (Arts Theatre, London), which [redacted] after breaking [redacted] records [redacted] Newcastle-under-Lyme.

The piece is at least unpretentious. It says it draws on nostalgia for the 1950s and '60s, and that is what [redacted] does. There is [redacted] local [redacted] group, part [redacted] which [redacted] made good. The old stars are called upon to back a campaign to prevent a housing [redacted] being redeveloped by the council. The first line is "It's a bit bloody loud", and that's true as well.

We move from Dean Martin's greatest hit ("Memories are Made of This") to "This Old House" and, inevitably in the circumstances, "We Shall Not Be Moved". The politics [redacted] a bit n[redacted] too. "Support [redacted] Heath Government [redacted] go", someone [redacted] limply. Then on [redacted] Mrs Thatcher: "First Argentina, now the NUM!" Of course, the protestors win. Nostalgia is preserved. Although I do not trust first night audiences in London, the show, [redacted] and directed by Bob Eaton, seemed to be very popular. The whole cast, with Sarah Mortimer as Miss Molly, is [redacted] terrific bunch of troupers.

Malcolm Rutherford

Leipzig Gewandhaus Orchestra

SYMPHONY HALL, BIRMINGHAM

Throughout the week the Leipzig Gewandhaus is in residence at Symphony Hall, the first visiting orchestra to make such a commitment to the new auditorium. It is presenting a cycle of the Beethoven symphonies under its Kapellmeister Kurt Masur, before he goes off to New York to conduct his first concerts as the Philharmonic's new Music Director, while retaining his links with Leipzig.

On the evidence of Wednesday's programme the New York public is unlikely to be scandalised by his interpretations, for the Fourth and Fifth Symphonies were placed very centrally in a Germanic performing tradition that must have stayed virtually unchanged for the best part of this century.

The Leipzig is a solid, sumptuous band, supporting its woodwind instruments with thick cushions of string sound, encouraging its brass to a warm, refulgent glow. Combined with Symphony Hall's matchless warmth and transparency [redacted] product [redacted] thrillingly vivid, [redacted] for the [redacted] in [redacted] the auditorium's acoustic [redacted] had been opened to [redacted] the [redacted] the huge backstage resonating [redacted] the sound. But if it created a memorable sonic experience [redacted] singularly inappropriate to middle-period Beethoven: just why [redacted] his [redacted] need [redacted] the extra [redacted] in [redacted] repertory remains a mystery.

[redacted] not just [redacted] the likes of Gardiner, Norrington [redacted] Brüggen have demon[redacted] part-writing when [redacted] to instruments [redacted] appropriate [redacted] and [redacted] power; for all the care in Masur's conducting, his [redacted] rhythmic pointing and decently energetic tempi, the symphonies [redacted] generally homogenised into [redacted] textural [redacted]. Woodwind [redacted] had [redacted] accompaniments by [redacted] force [redacted] tone, [redacted] inner parts could [redacted] distinguished, [redacted] it [redacted] just unidiomatic. The heavyweight expres[redacted] string [redacted] intertwined in [redacted] movement [redacted] Fourth could [redacted] settled happily into *Das Rheingold*, [redacted] opening of the scherzo in the Fifth would have been so much more unsettling [redacted] cellos [redacted] less fulsome, while the fearsome juggernaut launched in the [redacted] work would have brought [redacted] symphony home in triumph.

*

In my review [redacted] Thursday's Prom, conducted by Vladimir Ashkenazy, I inexcusably misidentified the orchestra involved: Ashkenazy [redacted] in charge [redacted] the Royal Philharmonic, and not the Philharmonia. Apologies to [redacted] concerned.

Andrew Clements

INTERNATIONAL ARTS PREVIEW & FESTIVALS

London's theatres are gearing up for what is already being hailed as one of the strongest autumn seasons for years. The spate of "new season" openings starts on Tuesday with a Royal Shakespeare Company production of Richard II at the Barbican and a new Timberlake Wertenbaker play, Three Birds Alighting on a Field, directed by Max Stafford-Clark at the Royal Court. On Wednesday at The Pit, the RSC stages the British premiere of Sam Shepard's Curse of the Starving Class. Next Thursday, the Almeida presents Hippolytos, Euripides' great tragedy of revenge and forbidden passion, in a production directed by Andrei Serban, with Janet Suzman as Phaidra and Ian McDiarmid as Theseus. Thursday is also the first night of David Thacker's production of Shakespeare's The Winter's Tale at the Young Vic.

On September 25, the Theatre Royal, Haymarket, starts previewing a revival of Jean Anouilh's Becket, directed by Elijah Moshinsky, with Derek Jacobi and Robert Lindsay as Henry II [redacted]. [redacted] majority [redacted] premieres in subsequent [redacted] are [redacted] plays: David Hare's Murmuring Judges at [redacted] Olivier, [redacted] Conti [redacted] The Ride Down Mount Morgan [redacted] Arthur Miller at Wyndham's, Hugh Whitemore's [redacted] Ralph, and the Ayckbourn two-parter The Reveng[redacted] Comedies at the Strand.

[redacted] season [redacted]pens tomorrow with a revival [redacted] Nuria Espert's production of Rigoletto, restaged by Jeremy [redacted] and [redacted] by Sian Edwards. Leo Nucci sings [redacted] hunchback, with Mariella Devia as Gilda, Giuseppe Sabbatini as the [redacted] and [redacted] Tomlinson as Sparafucile (also Sep 10, 17, 24, 28, Oct 1, 9, 12, 15, 19, 22). The first new production of the season is Das Rheingold (Sep 16), completing Götz Friedrich's staging of The Ring, conducted by the Royal Opera's music director, Bernard Haitink. There will be two Ring cycles between Sep 21 and Oct 17. The English National [redacted] season is already well under way, [redacted] the first new production [redacted] not come until [redacted] Paul Daniel will [redacted] Graham Vick's staging [redacted] nozze di Figaro, with Bryn Terfel [redacted] Figaro and Joan Rodgers as the Countess.

The Moscow City Ballet arrives [redacted] Sadler's Wells on Monday for a two week season, with [redacted] staple [redacted] diet of Sleeping Beauty, Swan Lake and Giselle, plus [redacted] triple bill of contemporary [redacted] choreographies. It is [redacted] youthful ensemble, [redacted] for this visit by [redacted] guests - Lyudmila Semenyaka and Galina [redacted]

EXHIBITIONS GUIDE

AMSTERDAM

Rijksmuseum Indian [redacted] from Paris: 100 pieces illustrating Mogul [redacted] and Hindu epics from [redacted] 16th to 19th centuries. [redacted] India, including a relief in [redacted] showing a portrait [redacted] Mogul Shah Jahan. [redacted]

Van Gogh Museum Japan: Van Gogh's Utopia, examining [redacted] Japanese prints and culture on [redacted] life and work of Van Gogh. Ends [redacted] Daily

BASLE

Kunstmuseum Swiss Drawings 1800-1850: a selection [redacted] the [redacted] work [redacted] period, in [redacted] Swiss artists were searching for their own path [redacted] the Romantic [redacted] in Paris and the circle of German [redacted] Rome. Ends [redacted] 27. Also [redacted] century drawings from [redacted] Burckhardt-Koechlin Foundation, including work by Picasso, Alberto [redacted] Modigliani Dubuffet, Ernst and Beuys. Ends [redacted] 8. [redacted] Mon

BERLIN

Agyptisches Museum Twilight of [redacted] an exhibition reuniting [redacted] collections from [redacted] and West Berlin, and celebrating the discoveries and research of [redacted] 18th century Egyptologist Jean-Francois Champollion. [redacted] 20. Daily

Altes Museum Rembrandt: [redacted] biggest exhibition ever mounted [redacted] Dutch master's paintings and drawings, taking into [redacted] scholarship [redacted] the question [redacted] attribution. 50 unquestioned Rembrandt paintings will hang alongside [redacted] others now [redacted] pupils, together with a parallel showing [redacted] drawings. From [redacted] Tues till [redacted] 10

[redacted] Charlottenburg Imperial Art [redacted] Dutch Exile of [redacted] Wilhelm II: paintings, sculpture [redacted] artefacts, including silver [redacted] furniture from [redacted] time [redacted] Great. Ends [redacted] Mon

[redacted] porcelain: a collection [redacted] by one of [redacted] leading early 20th century German porcelain manufacturers, tracing developments in design [redacted] Jugendstil [redacted]. Ends Jan 5. [redacted] Mon and Tues

FRANKFURT

Schirn Kunsthalle Picasso, Miro, Dali [redacted] origins of modern art in Spain: an exhibition, [redacted] help [redacted] in Madrid, tracing [redacted] development [redacted] Arte Nuevo from 1900 [redacted] 1936. Ends [redacted] 10. [redacted] Mon

GLASGOW

Kelvingrove Vuillard (1868-1940): [redacted] major showing [redacted] his [redacted] in Britain since [redacted]. The exhibition concentrates on Vuillard's work from early [redacted] mid-career, showing how his development as a painter owed much [redacted] home environment. Ends Oct [redacted]. Daily

HAMBURG

Museum für Kunst und [redacted] Felice Beato in Japan: landscapes, towns, villages and people photographed in the feudal era of the 1860s. Ends [redacted] 20. [redacted] Mon

LONDON

[redacted] Gallery John Constable: largest-ever survey [redacted] English artist's work. Ends [redacted] 15. [redacted] William [redacted] 150 watercolours, drawings [redacted] engravings from [redacted] Tate's [redacted] of work by [redacted] English visionary poet [redacted] painter. Ends [redacted] 2. Daily

[redacted] and Albert [redacted] Schinkel: [redacted] an exhibition [redacted] greatest [redacted] influential [redacted] the 19th century. [redacted] paintings, architectural drawings, furniture, sculpture [redacted] silver from [redacted] archive in Berlin. Ends [redacted] 27. [redacted] Postmodern Prints: an exhibition [redacted] 50 objects by international artists, [redacted] encouraging [redacted] of the conflicting versions [redacted] Postmodernism. Ends Oct 27. Daily

LUGANO

Villa Favorita Magnificent Switzerland: Swiss [redacted] by Foreign [redacted] than [redacted] oils and [redacted] by major [redacted] of the 18th and 19th centuries, including Turner, Corot, Bierstadt [redacted] Delacroix. Ends [redacted] 31. [redacted] Mon

MADRID

Museo Nacional de Etnologia [redacted] Century Ago: sculpture, wooden statues, armour, [redacted] the [redacted] the 19th century [redacted] Equatorial Guinea and other sub-Saharan locations. The exhibition includes a reproduction [redacted] living quarters from the period. [redacted] 31. Daily

MILAN

Palazzo Reale Filippo de [redacted] (1896-1956): an exhibition, drawn primarily from Milanese private collections, of paintings by [redacted] Italian [redacted] who based his style on the fluent, quasi-Impressionist brushwork of Manet and Guardi. [redacted] Oct 13. Daily

NEW YORK

Metropolitan Museum [redacted] Masterpieces [redacted] Impressionism [redacted] Post-Impressionism, including [redacted] Gauguin, Cézanne, Van Gogh, Renoir [redacted] Degas. [redacted] 13. [redacted] Mon

Museum [redacted] Modern Art [redacted] Friedlander: Nudes. A [redacted] 50 photographs [redacted] ranging from intimate portraits [redacted] abstract figure [redacted] Ends [redacted] Closed [redacted]

Whitney Museum of American Art Hunt Diederich: figurative sculpture and drawings by a long-neglected early [redacted] century artist. Ends [redacted] John [redacted] retrospective [redacted] 22 [redacted] of work [redacted] pioneer of conceptual art. Ends [redacted] 20. [redacted] American Life in American Art: the 20th century American experience as seen in paintings and sculptures from the permanent collection. Ends [redacted] 10. [redacted] Mon

PARIS

Jeu de [redacted] Jean Dubuffet: The [redacted] Years. [redacted] than 100 paintings and [redacted] drawings by [redacted] founder of Art Brut, dating from the period 1974-85. Ends Sep [redacted] Mon

Louvre, objets d'art department A newly opened room housing [redacted] Edmond de Rothschild donation, ranging from Hellenistic goldsmiths' [redacted] Watteau and Fragonard drawings, [redacted] porcelain and [redacted] century French furniture. Closed Tues

Musée d'Art Moderne El Lissitzky: 200 works, many lent by the Tretiskov Gallery in Moscow, offering [redacted] retrospective of the Russian [redacted] (1890-1941), who was a major figure of the avant-garde [redacted] the time of the 1917 [redacted]. Ends [redacted] Mon

[redacted] at all [redacted] and museums, [redacted] queuing [redacted] 60 museums including [redacted] Louvre, [redacted] d'Orsay [redacted]

ROTTERDAM

[redacted] Boymans-van Beuningen [redacted] Nauman: a travelling exhibition [redacted] complete prints, [redacted] from an [redacted] collection, together [redacted] 10 sculptures from Dutch collections. Ends [redacted] 6. Closed Mon

STOCKHOLM

[redacted] Museet [redacted] (1916-82): retrospective [redacted] the painter, author, [redacted] film-maker and man [redacted]. Ends Oct 13. [redacted] Mon

STUTTGART

[redacted] der Stadt [redacted] Dix: a major retrospective marking the centenary of [redacted] towering figures [redacted] 20th century German art, renowned for the [redacted] realism of his portraits, brothel [redacted] and visions of war. The exhibition brings together more [redacted] 350 paintings from galleries and private collections around the world. Ends [redacted] Mon

VENICE

Fondazione Cini From Gaudi [redacted] 160 exhibits, including sculpture, paintings and drawings, by leading [redacted] architects [redacted] the [redacted] 19th and early [redacted] Nov 24. Closed [redacted]

ZURICH

Kunsthaus [redacted] Finsler: Pioneer of [redacted] Neue Sachlichkeit. An exhibition of work by one of the [redacted] influential central European photographers [redacted] the 1920s and 1930s. Ends Oct 20. Closed Mon

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Independent, but together

THE [redacted] is in some danger of repeating with the [redacted] Union the mistake [redacted] made in Y[redacted] namely, throwing its weight behind [redacted] political structure which is doomed [redacted] it no longer enjoys the confidence [redacted] the peoples it was supposed to [redacted] a course of [redacted] would [redacted] not only futile but damaging. It would [redacted] precious time, when the problems [redacted] by [redacted] peoples are [redacted] and urgent. It would [redacted] anti-western feelings by making [redacted] seem [redacted] peoples that the [redacted] trying to prolong their subjection for [redacted]. Above all, it would [redacted] arguments for the maintenance [redacted] specific [redacted]nomic [redacted] between the ex-Soviet republics – arguments which [redacted] sound, and crucially important – would not [redacted] hearing they deserve.

Statements [redacted] the effect [redacted] it [redacted] to prevent [redacted] disintegration [redacted] the Soviet Union, which trip [redacted] automatically [redacted] tongue [redacted] many [redacted] politi[redacted] diplomats, [redacted] to [redacted] rethought and rephrased. Clearly it [redacted] that the dissolution [redacted] Union should [redacted] bring about an [redacted] to [redacted] number of nuclear [redacted] in breach [redacted] the Non-Proliferation Treaty. But [redacted] danger [redacted] already in [redacted] of being averted by the [redacted] Soviet nuclear weapons on [redacted] territory.

Orderly separation

There must also be [redacted] general interest, which the [redacted] shares, in preventing the for[redacted] Soviet Union from subsiding into generalised anarchy [redacted] large-scale civil [redacted]. But [redacted] is [redacted] synonymous with preventing its dissolution. Indeed, [redacted] peaceful and orderly separation into sovereign republics would be far preferable to any [redacted] hold the Union together by force.

But, while [redacted] peoples must be free [redacted] dissolve the Soviet polity, the incipient [redacted] of [redacted] omy spells [redacted]. Of all the [redacted] republics, [redacted] could [redacted]plate autarky with even a degree of equanimity. If [redacted] not [redacted] they will find [redacted] and bills for their imports of oil and gas in hard currency and at [redacted] prices. They will then experience an economic collapse dwarfing anything so far.

Fortunately, they have [redacted] solution. A high degree [redacted]nomic integration is compatible [redacted] independent currencies, [redacted] policies and armies. [redacted] the European Community demonstrates, this can be secured by the operation of the market within each state and free trade and currency convertibility [redacted] them.

It would [redacted] be possible for [redacted] republics to [redacted] independent trade policies towards the rest of the world (like members of [redacted] European Free Trade [redacted]. It would [redacted] possible for [redacted] republican currencies to float [redacted] another. But [redacted] would not [redacted] possible for them to be inconvertible into [redacted] another; [redacted] could any currency [redacted] convertible into those of the rest of the world while the others [redacted] not.

Close co-operation

The [redacted] economic relationships is, how[redacted] only [redacted] the [redacted] Union's problems in [redacted] longer run. First, it has [redacted] manage the transition. The assets and liabilities (including *foreign liabilities*) [redacted] the [redacted] divided. The budgetary and monetary disarray [redacted] the [redacted] will have [redacted] out. [redacted] goods will have [redacted] procured and distributed [redacted] coming [redacted] or [redacted]. The only [redacted] such challenges is through the closest possible co-operation.

[redacted] in optimal conditions, the [redacted] peoples will need expertise and resources which only the west and Japan are in a position [redacted] provide. The [redacted] must [redacted] both, but only [redacted] the understanding [redacted] minimum conditions [redacted] economic self-preservation will be met. This [redacted] the [redacted] devolution [redacted] power [redacted] the republics – just [redacted] should encourage the transfer of economic decisions to the market – but must also make it clear [redacted] it will not subsidise ill-considered [redacted] towards republican autarky.

The precedent of the Marshall Plan [redacted] been much [redacted]. It [redacted] indeed relevant, because the main significance of the Marshall Plan [redacted] the [redacted] it [redacted] European [redacted] co-operation and the dismantling of intra-European barriers. "[redacted] is evident," said [redacted] Marshall when [redacted] the plan in 1947, "that before the US government [redacted] proceed much fur[redacted] to [redacted] the [redacted] and help start the European world on [redacted] recovery,there must [redacted] some agreement among [redacted] countries of Europe as to the requirements [redacted] situation". The [redacted] should [redacted] today about the [redacted] republics.

Up the junction

IF ONLY it [redacted] possible [redacted] criticise [redacted] UK government's transport policy: but this would be stretching [redacted] word *policy* [redacted] far. A collection [redacted] ill-considered and short-sighted initiatives has emerged from the Department of Transport over the last decade. The government has circled Britain's transport problem, [redacted] if it [redacted] taking [redacted] day-trip on the M25. It goes round [redacted] round, but [redacted] nowhere.

The London Underground [redacted] of [redacted] main victims of [redacted] non-policy. A [redacted] Monopo[redacted] Mergers Commission report blamed [redacted] deficiencies [redacted] "chronic under-investment" by successive governments. It called for investment spending [redacted] £750m a year just [redacted] halt the deterioration, almost [redacted] level. Ideally, it said, [redacted] would [redacted] government-funded. Second-best would [redacted] a rise in fares.

The government response, announced yesterday, is [redacted] do nothing, precisely the approach that [redacted] in [redacted] first place. Moreover, it refuses to let [redacted] London Underground [redacted] anything either. There will be no increase in planned public investment – the Treasury's horror [redacted] subsidising [redacted] generating public [redacted] has [redacted] to that. [redacted] will [redacted] allowed to rise.

Short-term expediency

Short-term political expediency [redacted] preventing a [redacted] in fares. The government, it [redacted] has [redacted] low opinion of [redacted] electorate. [redacted] Tube travellers are [redacted] yesterday's decision [redacted] they will still [redacted] broken [redacted] congestion and the familiar stench.

This [redacted] absurd in [redacted] light of the previous day's announcement that another [redacted] will be built [redacted] the M25 [redacted] a cost of £2.6bn. Sadly, [redacted] Treasury is willing to invest [redacted] roads but not [redacted] maintain the current rails. Yet there [redacted] little chance that widening [redacted], or [redacted] road, will ease [redacted] daily jams. Another lane means [redacted] space for cars [redacted] crawl. But congestion is [redacted] way to regulate road use. [redacted] better [redacted] bear [redacted] their trips, including [redacted] pollution they impose on others – [redacted] keeping [redacted] flowing.

Policy mistakes

These are just two in [redacted] long line [redacted] policy mistakes; [redacted] failure [redacted] invest in British [redacted] and [redacted] myopic [redacted] pro[redacted] adequate links [redacted] the Channel tunnel and the [redacted] of the country [redacted] more. [redacted] deregulate and privatise London [redacted] will, in isolation, add [redacted] problems [redacted] congestion on London's [redacted]. Privatising buses, building more roads, [redacted] raising [redacted] on company cars does not add up to a transport policy.

The government's [redacted] partly one of vision, partly [redacted] ideology. It [redacted] congestion on roads, [redacted] and trains as [redacted] problems, as provision in [redacted] area clearly [redacted] all others.

[redacted] speed and ease [redacted] public transport directly affects [redacted] number, and average speed, [redacted] cars [redacted] lorries. Bus [redacted] can [redacted] cheap and [redacted] but [redacted] if roads [redacted] by [redacted]. Yet [redacted] interdependence, plus the monopolistic nature [redacted] railways, makes planning and public investment crucial ingredients [redacted] transport policy.

Yet there [redacted] encouraging signs: inner-city trams [redacted] being built in [redacted] planned for Sheffield, while Cambridge plans a road pricing experiment. [redacted] still, Mr Roger Freeman, [redacted] for public transport, [redacted] taken up travelling by public transport [redacted] week, after [redacted] years without stepping on a bus. His next step might [redacted] to think about a logical public transport strategy.

Eastern Europe is knocking on the EC's door. **David Buchan** and **David Gardner** look towards a Community of 24 – or more

A new wave of eastern approaches

A European Community starting at the Atlantic and stopping not too far [redacted] of [redacted] Urals [redacted] longer seems a ridiculous hypothesis.

Indeed, Mr Frans Andriessen, the external affairs commissioner, warned [redacted] EC this week it should begin thinking about how [redacted] adapt its institutions to cope with 24 member [redacted] "If we take into account what's happening [redacted] the Soviet Union, this [number] might even [redacted]," he predicted.

[redacted] would of course be far-fetched to suggest that the heart of the old Soviet Union – Boris Yeltsin's far-flung Russian republic, which [redacted] the Pacific – might apply for EC membership, and even more absurd [redacted] suggest that such [redacted] approach would be accepted in Brussels. But other bits of the old Union – not only the Baltic [redacted] – might one day knock [redacted] Community door for admission.

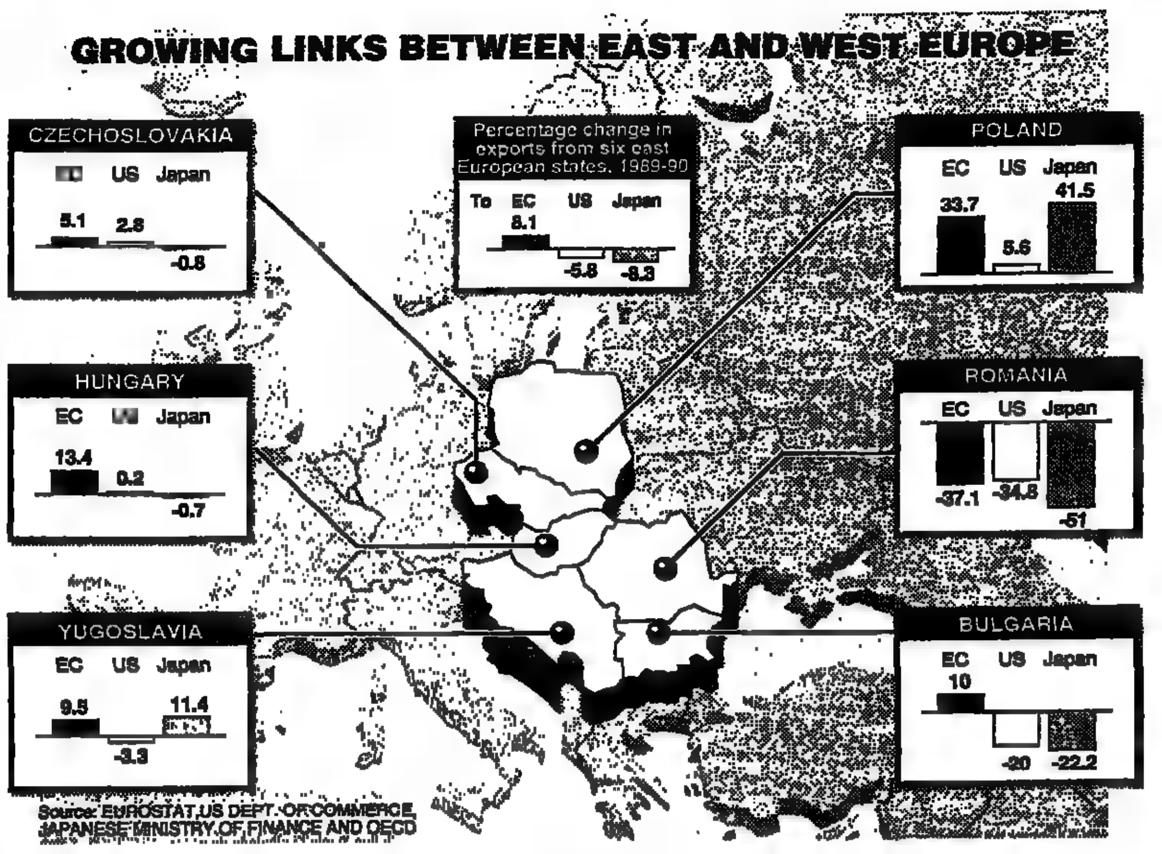
What is certain is that the EC is [redacted] broadening and deepening [redacted] approach [redacted] the [redacted] than [redacted]. In the [redacted] is piling up political and moral commitments, from the Balkans to the Baltic, and exciting aspirations in [redacted] that will powerfully influence its future membership, [redacted] and agricultural pol[redacted] and [redacted] of [redacted] present constitutional wrangling [redacted] political and monetary union. [redacted] are [redacted] of the longer-term [redacted] the Community's [redacted] approach [redacted], on which [redacted] hold [redacted] foreign [redacted] meeting today [redacted] a possible summit in mid-October.

The big question [redacted] everyone's mind [redacted] help for [redacted] Union. The Community will play a [redacted] role. This is not because of the size [redacted] the aid [redacted] pledged collectively, [redacted] by [redacted] several of [redacted] member [redacted] notably Germany. It [redacted] more because it has given the largest pledges [redacted] technical aid (Ecus 400m – £279m) – [redacted] the [redacted] financial, [redacted] distribution and transport [redacted] – and this will probably be the [redacted] valuable form of [redacted] Union. Only [redacted]nity, [redacted] – as its sole [redacted] and wealthy export market – [redacted] commercial concessions through which [redacted] Union can [redacted] modernisation and [redacted] health.

None of [redacted] Community [redacted] con[redacted] EC obligation [redacted] in break-away republics. But if the Ukraine, adjoining [redacted] European countries [redacted] clear aspirations [redacted] join [redacted] club, were [redacted] apply, it [redacted] hard for Brussels to laugh [redacted] application [redacted] as blithely as it did [redacted] of Morocco [redacted] couple [redacted] ago. [redacted] republic [redacted] Moldova (formerly Moldavia), [redacted]. It [redacted] join Romania, which [redacted] turn [redacted] join the EC. One of the purposes of Mr Andriessen's [redacted] to [redacted] Union next week is to see whether republi[redacted] leaders [redacted] some sort [redacted] direct relationship with the EC. A small beginning to such links may come [redacted] the planned visit by [redacted] republics' [redacted] ministers [redacted] Brussels [redacted] week.

For the [redacted] however, [redacted] the failed [redacted] coup has been [redacted] catalytic effect it has had on the west's relationship with [redacted] Europe. Nato, [redacted] well as the EC, [redacted] been jolted out [redacted] complacency. For months, east European leaders visiting Nato headquarters in Brussels had [redacted] tea, sympathy but absolutely [redacted] formal commitment to their security. [redacted] coup, however, Nato [redacted] declaring eastern Europe's security "inseparably linked" with that [redacted] Atlantic alliance.

Mr Jacques Delors, the European Commission president, [redacted] the Community's hypocrisy, as well as complacency, [redacted] eastern Europe. "It's no good making fine speeches with a sob in your [redacted] on Sunday, [redacted] then [redacted] Monday morning opposing [redacted] concessions enabling [redacted] Europe) [redacted]



Source: EUROSTAT,US DEPT. OF COMMERCE, JAPANESE MINISTRY OF FINANCE AND OECD

sell their goods and improve their living [redacted]"

Today [redacted] Commission will put ministers [redacted] by asking them [redacted] trade [redacted] on sensitive products [redacted] enable [redacted] bring [redacted] conclusion [redacted] with Poland, Czechoslovakia [redacted] Hungary. These [redacted] involve:

- Phasing out all curbs [redacted] textiles from [redacted] three central European [redacted] within [redacted] years.
- Asking Germany and Spain to end their national restrictions on Polish coal imports [redacted] four [redacted]
- Reducing by 60 per cent over three years [redacted] tariff levels [redacted] imports of [redacted] European [redacted] vegetables, with the quantity of imports to rise by 50 per cent over five years.

Such [redacted] far bolder than anything EC ministers were ready to [redacted] this summer, would silence [redacted] justified criticism from [redacted] central Europeans that the EC was only offering free [redacted] to products that they could not sell in the west.

Agriculture is one [redacted] the few areas where [redacted] Europe has [redacted] clear comparative advantage. [redacted] strawberry [redacted] raspberry [redacted] – to take one example – may complain [redacted] unfair competition from Poland, [redacted] nothing underhand about the [redacted] Poland's [redacted] in growing [redacted] fruit are [redacted] thirds below the UK's. Where the [redacted] aiding [redacted] agriculture, [redacted] nonsense arises. "We are in the [redacted] position [redacted] giving Hungarian pigfarmers money to make them more productive, but shutting [redacted] the pork they produce," says [redacted] EC [redacted] official.

[redacted] main [redacted] exports is the [redacted] food mountains, the [redacted] overproduction running at 20 per cent over Community needs. For example, [redacted] coming [redacted] Community from [redacted] Europe rose from 307,000 [redacted] in [redacted] 853,000 last year, with Poland, [redacted] main exporter, raising its earnings from $153m to $280m [redacted] desperately [redacted]ed hard cur[redacted]. But faced with a record beef mountain and collapsing prices, the EC in April cut the import quota for the east in half. At the time, Mr Ray MacSharry, the EC farm commissioner, argued that the [redacted]oval of price subsidies in the reforming east had led to high food prices and a [redacted] drop in local consumption, and [redacted] the EC could not cope with other peo[redacted] surpluses as well as its own.

Yet Mr [redacted] is hinting now [redacted] onslaught on the common agricultural policy – constituting much more acceptable pressure than that from Washington in the Uruguay round of multilateral trade negotiations – is just the kick-start he [redacted] to get [redacted] CAP reforms underway. If the [redacted] concessions [redacted] through the Council [redacted] Ministers, the Commission then intends to turn [redacted] of the Group [redacted] 24 western aid donors which have done [redacted] to help [redacted] Europe's [redacted] than [redacted] EC [redacted] chart), and demand they [redacted] effort.

But central Europe's galloping expectations [redacted] what the Community can do for it are far from just economic. In a letter last month to the Dutch presidency of the EC, Presidents Vaclav Havel of Czechoslovakia, Lech Walesa of Poland and Prime Minister Joszef Antall of Hungary have asked if their countries can be included in some way in the process of European Political Co-operation by which the Twelve co-ordinate their foreign policies. Seeing in this a response to his idea of affiliate EC status for countries not yet ready to assume the economic responsibilities of full Community membership, Mr Andriessen backs the central Europeans' request.

But if the idea of affiliate status was designed to put off the day of full membership for the central European states, the strategy clearly is not working – any more than Austria or Sweden were dissuaded from applying for EC entry by the current negotiations to include them in a so-called European Economic Area.

Fresh evidence of the central Europeans' eagerness to press ahead came this week when Poland proposed to re-draft the preamble of its planned association agreement. Before, Brussels had reluctantly agreed that the preambles in these agreements should record Poland's – and Czechoslovakia's and Hungary's – aspiration to EC membership. Now, Warsaw wants this to state that both sides – Poland and the EC – believe the agreement will pave the way to Polish entry.

If Poland gets its way, then it will set a precedent not only for Czechoslovakia and Hungary, but also for Romania and Bulgaria. For this week, the Commission pronounced these two Balkan countries [redacted] enough down the road to pluralist democracy and a market economy to [redacted] similar associate status. Others may travel the same path. The Commission says Albania now merits a basic trade agreement, and Mr Andriessen has the same idea in mind for the three Baltic states whose representatives he will meet in Tallinn, the Estonian capital, on Sunday. Having been the first big power to recognise the Baltic states' independence, the EC seems to have accepted a moral responsibility to see that 8m Balts can make it economically on their own.

The same logic would apply to Slovenia and Croatia, if peace efforts were to fail and the EC were to recognise their secession from Yugoslavia. In those circumstances, membership applications from break-away Yugoslav republics would be impossible for Brussels to duck. Yugoslavia is the east European country with which it has the longest relationship (since 1970), and the society and economy of Slovenia is near the level of northern Italy and Austria which it borders.

Lying behind the rush by Brussels to cast its net so far and wide across eastern Europe is the growing fear of instability, the knowledge from the 1930s of what an awful mixture nationalism and economic depression can produce. Nationalism is not only rife in the Soviet Union and Yugoslavia, but also stirring in the Slovak republic of Czechoslovakia and never far from the surface in Hungary.

The EC's answer to these difficulties is to suggest that the east Europeans and Soviets keep some semblance of integration, both for their own good and for the Community's, so that they do not throw themselves on Community charity.

The problem is that east Europeans are not in very federative mood. When Mr Delors preached, on his two recent visits to Moscow, the virtues of Soviet economic and monetary, if not political, union, his words were ignored by everyone except President Gorbachev. Chancellor Helmut Kohl's strongly-stated call on Wednesday for [redacted] unity may go equally unheeded. [redacted] year Brussels [redacted] temporary creation of a hard-currency union to stop trade flows plummeting within the former Comecon area, and was told by the east Europeans that this was an unacceptable attempt to keep them within their old geo-political straitjacket.

So, the Community seems fated to get membership applications from the east, which after 45 years of statements about the importance of overthrowing communism it will find hard to refuse. This is what makes plausible Mr Andriessen's prediction of a Community of 24 by 2000.

The idea of such a populous Community is bound to raise a new debate about the EC's future institutional structure. Mr Andriessen is not alone in believing a much larger Community would be ungovernable without a far greater degree of supra-nationalism than is being discussed among the Twelve's political union negotiators. This may be theoretically correct, if a Community of 24 were to maintain the same level of collective ambition as the Twelve. But in practice a larger membership might do fewer things in common; even within the Twelve, the growing likelihood of a two-speed move to economic and monetary union is a pointer to less uniform arrangements in the future.

With hindsight, the Twelve should have told their political and monetary union negotiators to tackle the issue of enlargement. But to do this now would bring the intergovernmental conferences (IGCs), more than halfway through their allotted timespan, to a halt. The best thing now is to finish the business in hand, sign a new EC treaty no later than December, and prepare for the next constitutional revision in a couple of years' time.

OBSERVER

Perrier heir surfaces

■ [redacted] pinch of sugar is being added to the Perrier in the shape of an heir to the throne [redacted] Jacques Vincent, 68-year-old head of the company. Although it's little more than a year since he [redacted] Leven as chairman, he has [redacted] pretended his stay [redacted] be more than temporary.

When he took over, Source Perrier [redacted] suffering from the discovery of benzene traces in US stocks of its bubbly product. But now the [redacted]ter has cleared, Vincent [redacted] no time in importing a Dauphin from French sugar-makers Béghin-Say, a subsidiary [redacted] Feruzzi.

He is its number two executive Thierry Chéreau, at 44 a stripling by comparison with [redacted]. From next month he will sit alongside Vincent for two to three years before assuming his heritage.

The move incidentally [redacted] another recent French corporate mystery: the future of the brilliant Jean-Martin Folz, [redacted] 44, who left Pechiney in [redacted]. He didn't reveal where he was off to [redacted] the time, [redacted] now he is to succeed Chéreau at Béghin-Say.

All [redacted] which makes Vincent stand out as [redacted] rarity – one of the few grand old men of French business life arranging a smooth-flowing transfer [redacted] his power. Others, such as the BSN [redacted] group's doughty [redacted] year-old chairman Antoine Riboud, seem distinctly backward in bringing their successors to the fore.

Upmarket terrier

■ Privates and non-commissioned ranks need read no further. But if you are over 45 and an out-of-work officer, help is at hand. The Honourable Artillery Company, oldest surviving unit of the [redacted] Army, [redacted] looking [redacted] a new [redacted]

The £40,000 salary will not tempt the average merchant banker, and the job does not sound all that [redacted] from [redacted] of the standard golf club secretary. But there are plenty [redacted] perks such as having one's chaps fire the ceremonial salutes at [redacted] Tower of London, not to mention access to the world's most expensive [redacted]ket pitch/car park in the heart of the City.

True, [redacted] aren't [redacted] distinguished as they were in [redacted] of Wren, Milton and Samuel Pepys. But they're [redacted] be a [redacted] bunch, albeit [redacted] bit prickly on [redacted]

Lost leader

■ [redacted] Bank is now vying with Midland and Standard Chartered for the title of the most accident-prone bank in Britain. Just as its [redacted] investment banking operation seemed on the mend, Tim Ferguson, the respected boss of County NatWest [redacted]rities, marches [redacted] the door.

[redacted] quiet, determined Australian, Ferguson was County's rising star – a home-bred high-flier who returned to London after running the investment house's Tokyo operations.

Having helped reduce County's stratospheric [redacted] base, he has been largely responsible for the [redacted] boost in its standing in the London investment community over the last year. Now 34, he has [redacted] some mysterious [redacted]son outstayed his welcome, and joined the County NatWest departure list f[redacted] "personal reasons".

His replacement, 39-year-old [redacted] Arthur Kirsch, used to head equities in the days when there still was a Drexel Burnham. What makes him think he'll last any longer than Ferguson?

"[redacted] continuity [redacted] management depends [redacted]

"It's pretty [redacted] the whites to share their power over us."

business plan working," says Kirsch, slipping [redacted] into the analyst-speak he learned while a top-rated Drexel beverage and [redacted] analyst.

Nevertheless, [redacted] when County is badly in need of stability, importing a cultural alien to take charge of its securities branch could detonate further [redacted] explosions.

Antilles heel

■ Showing studied calm in the face of civil war [redacted] Yugoslavia, Soviet upheavals etc, the Dutch presidency [redacted] the European Community is whisking all [redacted] member [redacted] ambassadors with spouses off on Saturday for a week in the sun of the Dutch Antilles.

Such junkets are an EC tradition. Every country holding the presidency provides a pleasure jaunt for EC permanent representatives during its six-month chairmanship of the [redacted] of [redacted]

But not even the junketers are uniformly [redacted] is the right moment to cart what amounts to [redacted] munity's diplomatic rapid-reaction force away to the Caribbean, albeit they'll technically still be in EC territory.

Might not events catch the ambassadors on the hop while they're pottering around the islands of Curacao, Aruba and Bonaire?

Nonsense, snorts [redacted] Dutch [redacted] "They have phones, faxes, and it wouldn't take [redacted] much [redacted] get back to Brussels than if we had taken them boating in Friesland".

First showing

■ Youthful shiny-haired Vernon Sankey, [redacted] designate [redacted] & Colman, was on *public display* [redacted] first time at the half-yearly results meeting in London. [redacted] 42-year-old, [redacted]ting his 20th anniversary with the mustard-to-air-fresheners group, took the task very seriously indeed.

After going on at great length about the "four [redacted]rent phases" in the integration of Boyle-Midway – [redacted] US company bought [redacted] £713m [redacted] summer – [redacted] discussed the finer points of recipes using French's Creamy Spread, off[redacted] free tastings of this "[redacted]" concoction.

It would make a [redacted] change if, this time next year, Sankey [redacted] chief executive could give [redacted] much detail on the group's balance sheet as he dispensed yesterday [redacted] spread, "manufactur[redacted] reconfiguration", and the relaunch of Woolite rug cleaners.

Meanwhile, try and cut out the jargon, Vernon.

Off the map

■ Observer hears that Leamington Spa has fallen so low as a tourist attraction that British Rail decided the best time to close its line there for repairs was the August bank holiday weekend.

We have to face the fact that it will take us, under the best conditions, between 20 and 30 years (at a moderate computation) to remodel our secondary and higher education, and to put ourselves on a level with the Germans. During that period Germany herself is not likely to be idle.

– Board of Education, 1902

Andrew Adonis and **Kai-Uwe Kühn** compare the merits of the German and British education systems

Different roads to competence

Ever since Wilhelm von Humboldt created Prussia's state education system in the wake of Napoleon's military conquests, the British have cast jealous eyes on German schools. They do so now more than ever. Her Majesty's Inspectorate recently issued a report on why German traditions of state regulation and skill training have produced a system of vocational education superior to Britain's.

The envy is not all one-sided: Germany has its own discontents, particularly in higher education. On both sides, however, deeply-rooted attitudes and institutions make convergence a fraught endeavour. An overview of Anglo-German practice in five areas – vocational training, 16-19 education, universities, the teaching profession and education policy-making – will show why.

● **Vocational training.** Each year about 550,000 German school-leavers sign apprenticeship contracts with companies. Every German profession has its own training programme, lasting for two to three years, and all companies employing apprentices must conform to it and hire qualified instructors.

Under the so-called "dual system", trainees generally work three days a week and spend the other two in vocational school, where almost half their time is devoted not to their trade but to classes in maths, German and general studies. Trainees earn only about DM200 (£70) a week, which makes the system palatable to the 500,000 mostly medium-sized and large companies, about a fifth of the total, which offer training places.

Local chambers of commerce accredit instructors and organise the standardised exams which trainees have to pass to qualify. Britain's fledgling Training and Enterprise Councils, and its morass of vocational qualifications which few study, are pale imitations.

The dual system is costly: employers spend about DM50bn a year on training, and though most recognise its necessity, there is some grumbling about cost and inflexibility. The system is tightly regulated by statute, but government largely confines itself to giving legal force to training programmes negotiated between employers and unions industry by industry. Efforts are [redacted] keep training up-to-date while avoiding over-specialisation.

The dual system is not easily exportable. "To introduce a system like [redacted] is completely unrealistic," [redacted] Mr Karl-Georg Krachten [redacted] the German Employers Association. He points to the long [redacted] of skill training, which has led [redacted] different organisational [redacted] in German and British [redacted] "We need much [redacted] division of labour [redacted] have a [redacted] of qualifications to start with."

It is, nonetheless, glib simply to [redacted] differences between [redacted] with [redacted] word "culture". Technical [redacted] flowered in 19th-century Germany at [redacted] behest [redacted] determined [redacted] direction. "Bismarck [redacted] pay, [redacted] they [redacted] their peril: it wasn't all a response to cultural urgings on their part," says Sir Ralf Dahrendorf, the Anglo-German sociologist.

● **16-19 education.** Germany's traditional tripartite school system – *Gymnasium* for the academically-oriented, *Realschule* and *Hauptschule* for the vocationally-directed – has survived largely intact despite efforts by social democrats to promote the comprehensive ideal. Almost 90 per cent of British state secondary pupils attend comprehensives: only 5.7 per cent of German pupils do so. By contrast – but not by co-incidence – private schools, which educate almost a fifth of all British sixth-formers and a quarter of university entrants, are peripheral in Germany.

The *Abitur*, gained by most *Gymnasium* pupils at the age of 19, is the standard qualification for entry into German higher education. In their last two years, pupils generally concentrate on two core subjects, but also study six others, which must include two from German, maths and a foreign language, plus history, at least

one science, art or music, and physical education. Early [redacted], and continuous [redacted] including oral contributions [redacted] class, count [redacted] – both [redacted] A-levels, the [redacted] "gold [redacted]" of the British [redacted] tem, [redacted] Conservative [redacted] remain attached.

[redacted] command greater social [redacted] than [redacted] (the equivalent of [redacted] technical schools-that-never-were), with *Hauptschulen* [redacted] of [redacted] heap. But [redacted] latter [redacted] nothing like [redacted] "sink [redacted]" reputation of [redacted] old British secondary moderns, and anyway the last two decades have seen numbers attending them almost halve.

● **Universities.** These are the weak link in German education. They are mostly over-[redacted] and dispiriting for [redacted]. University [redacted] (compared [redacted] 3.3 in [redacted] with military [redacted] thrown in, a typical male [redacted] 28 [redacted] graduation [redacted] Britain). And German doctorates? A passage [redacted] the [redacted] the joke.

True, [redacted] degrees [redacted] British [redacted] level: but [redacted] worth four years. [redacted] hand, [redacted] universities could ill afford their luxurious student/[redacted] of 11.3, [redacted] they invaded by [redacted] half million [redacted] students [redacted] German [redacted] participation – particularly if [redacted] similar proportion [redacted] capital-intensive science and engineering courses.

● [redacted] profession. [redacted] all [redacted] professions, [redacted] ing is a rigid and hierarchical affair. In [redacted] virtually any graduate can move into teaching by taking a one-year certificate, and not even that is necessary [redacted] private schools. [redacted] Germany, would-be teachers must study their subject plus "pedagogy" at [redacted] or university, and the whole [redacted] takes a minimum [redacted] five [redacted]

The status [redacted] teachers is far higher in Germany. A secondary teacher with six years' [redacted] earns about DM63,000 (£21,000), along with all the perks that [redacted] with their status as a civil servant. In Britain, by contrast, a high-flying teacher can [redacted] about £16,000 after [redacted] – barely two-thirds of his or her Whitehall fast-stream counterpart. Teachers have just been given an independent salary [redacted] body, but it will [redacted] more than [redacted] rise [redacted] teacher morale.

● **Education policy-making.** Under Germany's [redacted] constitution, education is a [redacted] *(Land)* responsibility. While Mr Kenneth [redacted] reigns ever [redacted] absolutely [redacted] Britain's schools, Mr Rainer Ortleb, [redacted] Bonn [redacted] minister, can [redacted], warn, and must [redacted] consulted, but decision-making – and, crucially, funding – lie with [redacted] parliaments; [redacted] its own [redacted] minister.

Education [redacted] one of the bloodiest battlegrounds of state elections. Yet behind the sound and fury, stability and a high degree [redacted] apply in practice. [redacted] capita [redacted] spending [redacted] closely aligned [redacted] than between English local education authorities. [redacted] regulates key issues, [redacted] mutual recognition [redacted] each [redacted] *Abitur*. With [redacted] standing secretariat, [redacted] important [redacted] for policy debate, [redacted] far less [redacted] Department [redacted] Education in London.

[redacted] German [redacted] (such [redacted] Hessen) have experimented [redacted] others, but [redacted] could a Kenneth [redacted] impose controversial [redacted] all [redacted] 11 [redacted] 14-year-olds, or [redacted] Shirley Williams [redacted] away all grammar schools. For all [redacted] democrats' [redacted] comprehensives, [redacted] and [redacted] exigencies, [redacted] treaty obligations and resolute opposition from parents and the [redacted] parties [redacted] kept them [redacted] bay everywhere except Hamburg and Berlin.

Reproducing the [redacted] education system in the [redacted] Germany's [redacted] preoccupation [redacted] 1990s. Meanwhile, simply to [redacted] German education [redacted] profit the British little; but an understanding of [redacted] and [redacted] help them [redacted] their own schools in order.

Joe Rogaly

May is the best bet

Mr John Major has eight weeks in which to make the most important judgment of his remarkable political [redacted] If he gets it right he [redacted] be able [redacted] stay in No 10 Downing [redacted] until the end of the century. If he gets it wrong [redacted] most remarkable thing about his political career will have [redacted] its brevity. The decision he must make is now well-known. Does he stand up [redacted] the Conservative party [redacted] in Brighton on [redacted] ber 11 [redacted] announce there will be [redacted] on November 7 – or [redacted] he [redacted] and hold on for May [redacted] In spite of this week's stock market fizz, which is partly based on fancies that there will be [redacted] snap [redacted] and a fourth Conservative victory [redacted] is out, [redacted] balance of [redacted] still in [redacted] 7, which would coincide with [redacted] year's local [redacted]

[redacted] 7 [redacted] attraction. It [redacted] herald [redacted] anniversary [redacted] the day on which [redacted] then little-known Mr Major astonished [redacted] country [redacted] parts [redacted] the world by succeeding Mrs Margaret Thatcher. It would precede the Maastricht [redacted] ing [redacted] European Community heads [redacted] government, and thus postpone [redacted] Tory [redacted] Thatcherian revolt against [redacted] compromise [redacted] European [redacted] The [redacted] prime minister would [redacted] last be free of [redacted] ghost of [redacted] predecessor; [redacted] exercise the unique powers of a British prime minister and base his claim to the right to [redacted] so [redacted] democratic mandate. At present [redacted] is [redacted] Gorbachev, put in [redacted] by [redacted] party; following [redacted] victory [redacted] be a Yeltsin, put in power by [redacted] voters.

These Russian analogies serve [redacted] remind us of one reason why the [redacted] prime minister [redacted] doing [redacted] well. He is good [redacted] getting [redacted] advertised on [redacted] sion. At the start of the summer it seemed the Labour party had [redacted] monopoly of [redacted] skills, as it presented [redacted] domestic policy [redacted] after another, then [redacted] back to the beginning, recycled, [redacted] all [redacted] again. Mr Major blessed four close colleagues with the [redacted] of breaking this opposition monopoly. They did well. But *it was the former* [redacted] Union that squashed the [redacted] of the formerly socialist Labour leader flat.

The bungled coup of August 19 has thrust world [redacted] Major on to the screen and kept him there. A makeshift podium outside the door [redacted] 10 [redacted] become his personal soapbox, unless he is [redacted] tour. Then [redacted] backdrop is Washington, Kennebunkport, Moscow, Beijing, Hong Kong. [redacted] not stunts: Mr Major has been travelling as current chair[redacted] of the G7 [redacted] industrial nations or, in the case of China, [redacted] of the departing colonial administration of

At present Mr Major is a Gorbachev, put in power by his party

Hong Kong. But [redacted] opportunity [redacted] photographed [redacted] smiling, doing and saying the right things, [redacted] The prime minister showed how good he [redacted] this kind of thing during [redacted] Gulf [redacted] Now [redacted] even managed [redacted] turn the grubby [redacted] of shaking [redacted] with the murderers [redacted] Tiananmen Square [redacted] a positive act of foreign policy, partly by getting [redacted] deal [redacted] Hong Kong airport, [redacted] partly by making [redacted] pronouncements on human rights [redacted]

There [redacted] an additional explanation for the latest change of British political mood. The crumbling of [redacted] Soviet coup demonstrated that [redacted] important [redacted] power, more powerful than tanks, [redacted] what is going [redacted] inside people's heads. [redacted] the nightly television onslaught [redacted] the [redacted] everything [redacted] in what [redacted] Soviet empire [redacted] be having its subconscious effect [redacted] British public support for a [redacted] party that, for all [redacted] labels itself socialist.

Add up [redacted] above items, [redacted] in the latest couple [redacted] polls (which indicate [redacted] rise in support for [redacted] Conservatives), tack on Wednesday's cut in [redacted] rates and cheaper mortgages, conjure up a *self-fulfilling prophecy of a* resurgent economy based [redacted] growing public confidence and willingness to spend, and the case for November 7 seems compelling.

The cautious Mr Major will know better. It [redacted] the polls that count, and [redacted] that counts [redacted] My office [redacted] been compiling a weighted [redacted] of the results [redacted] all published opinion polls, month by month – call it [redacted] FT poll [redacted] polls. The weighting [redacted] by sample size, the dates [redacted] sampling dates. The print-out shows that a Labour lead of [redacted] percentage points in August 1990 [redacted] lead [redacted] 3.8 in August 1991. This [redacted] for the Tories, but not good enough. The sharpest change – [redacted] rightwards swing of nearly 9 points – came last [redacted] following the [redacted] sition [redacted] Mrs Thatcher. The Gulf war kept the [redacted] marginally [redacted] until April, but they [redacted] behind all summer. The gainers have been [redacted] Liberal Democrats, who [redacted] to [redacted] further [redacted] publicity for their conference [redacted]

All these are good reasons [redacted] The conventional wisdom is that [redacted] three-month run of good leads for his party [redacted] required before [redacted] prime minister [redacted] safely [redacted] Questioning for [redacted] Sunday's Mori poll in The Sunday Times [redacted] August 27, so, private polls apart, [redacted] most [redacted] Major could [redacted] on [redacted] 11 [redacted] about six [redacted] sampling. [redacted] would have [redacted] greater [redacted] Mori's [redacted] points for a decision to go to the polls on [redacted] 7 [redacted] tistically sound.

In short, the case for an [redacted] year [redacted] on the proposition that [redacted] economy and therefore the [redacted] will [redacted] worse placed next year. If [redacted] polls suddenly [redacted] Tory-wards and give, [redacted] lead [redacted] five [redacted] six points from now [redacted] proposition may be hard [redacted] gainsay. But in any [redacted] circumstance [redacted] 1992 call could be the [redacted] of Mr [redacted] 1991 his [redacted] fall.

LETTERS

Europe's goal should be to restore full employment

From Mr Frank Blackaby.

Sir, What is the standard reply to those of us who argue that unemployment at 3m (on the OECD definition) is an appalling and unnecessary blight on our society? The reply is that we can do nothing about it, now that we are in the exchange rate mechanism.

They are saying the same thing all over Europe – in France, Spain, Italy, Greece, minister after minister is on record with the same pronouncement: "We are terribly sympathetic to the unemployed (the standard Michael Howard line), but the ERM means that nothing can be done."

Each minister is afraid that reflationary action will lead to a capital outflow, and his country's exchange rate will then drop out of the bottom of the mechanism. The ERM seems quite likely to lock most of Europe, east and west, into a permanent state of high unemployment; the east as well, because the low demand for labour in western Europe means that there will be very little trickle-over into the old Warsaw Pact countries.

It is certainly more difficult now (though not impossible) for any single European country to return to full employment on its own. Collective action is needed. The European Community should formally adopt full employment as a major objective of policy. The European Parliament – and particularly the European Socialists – should take up this issue much more vigorously. So should the European trade union movement.

Full employment was, for more than 20 years, one of the great triumphs of post-war European capitalism. The states of Europe, if they act together, can re-establish this basic human right: the right to work.

Frank Blackaby,
9 [illegible] Road,
London SW8

Fax service

[illegible]

Minimum wage would profit women

From Jo [redacted]

Sir, Your report ("High price of a minimum wage", September 4) refers to the latest study by the Institute for Fiscal Studies. It ignores, however, one of the study's major conclusions: that a large number of women would gain from its introduction and that it may well be an effective tool in promoting equal pay.

The IFS study gives support to Labour party estimates that nearly 80 per cent of gainers will be women. And nearly half of all gainers will be women part-time workers.

Nor do these estimates take account of the 3m workers – mainly women and mainly part-time workers – who are earning below the PAYE threshold. They [redacted], in fact, currently ignored by [redacted] government statisticians.

[redacted] still [redacted] behind men's with the gross earnings [redacted] full-time women still only [redacted] 68 per [redacted] men's. The relative position [redacted] growing number of female part-timers is actually deteriorating.

If our economy is [redacted] function effectively, we [redacted] no longer [redacted] undervalue and under-reward women's work. All [redacted] often, low pay is linked [redacted] work and [redacted] a prod-[redacted] discrimination rather than low skills.

A national minimum [redacted] is an [redacted] part [redacted] strat-[redacted] creating the [redacted] fair [redacted] for women and dealing with [redacted] glaring inequalities in existing [redacted]

So, too, [redacted] strengthened and revitalised sex discrimination and equal pay legislation [redacted] improvements in [redacted] and community [redacted]

They are [redacted] policies [redacted] and that the economy needs if it is to compete successfully on the [redacted] quality skills, low [redacted] turn-[redacted] and high productivity. Discrimination continues [redacted] skills [redacted] potential [redacted] It is [redacted] of allowing [redacted] to continue that should concern all [redacted] who [redacted] a [redacted] and [redacted] economy.

[redacted] Richardson,
[redacted] *minister for women*

Less tax for high earners may have dynamic effect

From Mr Robert K Young.

Sir, As one of the "few standard rate FT readers" referred to in Mr Owen's letter (August 10) in response to Dominic Lawson's attack [redacted] tax, I can only despair.

It is [redacted] and [redacted] both in our courts and tax system that misleads us [redacted] believing that we are actually seeing justice being done.

[redacted] effect on revenue of higher rate taxes is not small – it is negative. Mr Dominic Lawson's worth is irrelevant. A high earner automatically contributes more. More in standard rate tax on his earnings and savings. [redacted] on [redacted] on [redacted] expenditure and, assuming [redacted] accumulate assets, more [redacted] on his [redacted] In all justice he contrib-[redacted] in good measure [redacted] society.

Higher rate tax is ritualised envy and a pernicious attack on endeavour with no [redacted] in justice.

It would be more equitable and [redacted] more [redacted] if tax reduced [redacted] a [redacted] level [redacted]

[redacted] could all aspire to become lower [redacted] payers [redacted] all. Company cars [redacted] the like would cease to [redacted] provided as "perks".

[redacted] financial services industry would concentrate on providing real benefits instead [redacted] devising "tax dodges". The incentive [redacted] work and produce more efficiently would give [redacted] country [redacted] injection it [redacted] would then [redacted] raised [redacted] help [redacted] in society who [redacted] work or sit [redacted] people like the old, sick, [redacted] tally handicapped and disabled.

Perhaps [redacted] success would [redacted] as anti-social as public spitting. Unfortunately, no government would have the guts to "sell" such a package to the nation.

Robert K Young,
Wilcox Young & Co,
77 Bedford Place,
Southampton

Museum of Scotland will surely miss the prince

From Mr Fitzroy Ponniah.

Sir, The proposed Museum of Scotland and a procedural dispute that led to Prince Charles' resignation represents a management disaster the outcome of which is surely less than best for Scotland ("Why the prince walked out", August 19).

Prince Charles' acceptance of the post of patron of the Museum of Scotland placed him in a position to assist, for instance, in the development of a brief and in the selection of the panel to judge a competition for the purposes of contributing not only to what is considered a good museum but also to that of quality architecture. Prince Charles should have been seen as an asset by the management of the Museum [redacted] Scotland. His resignation [redacted] therefore a disaster, signalling management failure.

The appointment of [redacted] Philip [redacted] as chairman [redacted] assessing panel reveals a modernist [redacted]

The selection [redacted] a design that [redacted] the [redacted] Le Corbusier chapel in France for the purpose [redacted] a museum in [redacted] land points [redacted] a stagnation of architectural thought.

The chapel in France is more a piece of sculpture than a place for religious service and the museum is likely [redacted] in like manner.

The chairman appears unable [redacted] disentangle the pas-[redacted] for modernist indulgence [redacted] a [redacted] for a [redacted] for [redacted] As such, Prince [redacted] resignation [redacted] surely understandable and a [redacted] architecture and Scotland – [redacted] management [redacted] the Museum [redacted] Scotland is surely to blame.

The [redacted] is surely [redacted] than the best and as such the use of taxpayers' funds [redacted] questionable. A reformed procedure and fresh competition [redacted] likely [redacted] a good thing [redacted] provide an [redacted] that [redacted] the air and bring with [redacted] responsible use [redacted] taxpayers' funds.

Fitzroy Ponniah,
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London E17

FINANCIAL TIMES

Friday September 6 1991

Single-union proposal for new unit also includes controversial 'no disruption' clause

Toyota seeks no-strike deal for UK plant

By John Gapper in Glasgow

TOYOTA, the Japanese carmaker, has proposed what some UK trade union leaders regard [illegible] a no-strike deal for [illegible] new British plant. It also [illegible] to delay [illegible] talks with [illegible] chosen union after it signs an agreement until [illegible] least 1994.

Toyota's proposals, contained in a confidential 50-page draft document, have alarmed union leaders competing for one [illegible] the most highly prized single union deals since [illegible] started production at its plant at Tyne and Wear in north-east England in [illegible].

The company [illegible] seeking a [illegible] 39-hour five-day [illegible] when production starts in Burnaston, Derbyshire, [illegible] Birmingham, in 1992. But it [illegible] wants the freedom [illegible] [illegible] workers up [illegible] an extra two hours [illegible] day, and [illegible] alternate Saturday mornings [illegible] required.

The most controversial proposal is for [illegible] "no disruption" deal under which [illegible] and working practices disputes would be [illegible] by binding arbitration [illegible] the Acas conciliation service if they could not be resolved by negotiation.

This has worried officials of unions, including the TGWU transport union and the MSF general technical union, because they have taken a firm stance against "no strike" agreements of the type pioneered by the EETPU electricians' union.

The [illegible] Union Congress, which is meeting [illegible] Glasgow, will today discuss [illegible] controversial motion put by [illegible] which [illegible] Japanese companies for "bringing alien working practices with them" [illegible] Britain and [illegible] [illegible] single union deals.

Another controversial Toyota proposal is for [illegible] negotiations [illegible] be delayed until [illegible] least April [illegible] [illegible] the initial settlement [illegible] [illegible] [illegible] is reached. This would delay [illegible] 37-hour week in Toyota until at [illegible] 1995.

Some union officials are also worried by a [illegible] which would allow the company [illegible] lay off white-collar (mostly [illegible]) staff without [illegible] on a month's notice. Only blue-collar (mostly manual) workers can be laid off without pay in [illegible] rest of the UK car industry.

[illegible] [illegible] – the TGWU, MSF, the EETPU, [illegible] AEU engineering union, [illegible] the GMB general union – are competing for [illegible] deal [illegible] Burnaston and the [illegible] engine-making plant in Deeside, north [illegible]. A [illegible] [illegible] expected by the end [illegible] the [illegible].

Mr Bryan Jackson, Toyota's director [illegible] human resources, [illegible] he [illegible] [illegible] comment [illegible] proposals because [illegible] had agreed with union officials [illegible] keep them confidential. However, he said any proposals were only initial ideas.

"[illegible] people think we want [illegible] hold [illegible] gun [illegible] the unions' heads, but that is [illegible] our approach at all," said Mr Jackson. He said the company wanted [illegible] [illegible] a representation arrangement that would provide genuine partnership.

Toyota has scheduled three meetings with each union and has given [illegible] [illegible] copy of the draft agreement, along with 21 questions [illegible] the union's atti[illegible] [illegible] [illegible] [illegible]. It will consider [illegible] [illegible] after meetings end [illegible] month.

UK car industry news, Page 8

US indicts six officials of BCCI

By Alan Friedman in Washington and **Richard Waters** in London

THE [illegible] yesterday indicted six [illegible] of the [illegible] of Credit and Commerce International (BCCI), along with a leader of the Medellin cocaine cartel in Colombia and Capcom Financial Services Ltd of London [illegible] charges of racketeering [illegible] laundering millions of dollars [illegible] drug money through BCCI.

Among those indicted [illegible] Mr Syed Ali Akbar, former [illegible] treasurer and former head of Capcom, who [illegible] arrested by French customs earlier this [illegible] as [illegible] disembarked from [illegible] ferry in Calais. The [illegible] Justice Department said [illegible] had asked France [illegible] [illegible] Mr Akbar [illegible] the [illegible] to [illegible] trial.

Mr [illegible] Naqvi, [illegible] BCCI president who was first charged in New York [illegible] July, was [illegible] as another of [illegible] [illegible] defendants in yesterday's indictments. The Justice Department said [illegible] had not yet asked Abu Dhabi to extradite Mr Naqvi [illegible] of "techni[illegible]".

The charges included [illegible] alleged use by Mr Akbar [illegible] BCCI of Capcom in [illegible] UK to hide and transfer $23m of [illegible] [illegible] by Mr Manuel Noriega, [illegible] former [illegible]nian dictator, who went [illegible] trial on in Miami [illegible] drug charges yesterday.

Also [illegible] in [illegible] BCCI case was Mr Gerardo "Don Chepe" Moncada, a leader of the [illegible] cocaine cartel, and four of his associates. They are accused of using the bank's international network between 1983 [illegible] 1989 [illegible] launder more than $14m of drug proceeds.

Mr Robert Mueller, assistant attorney general of the US, said the latest BCCI indict[illegible] had been delivered by a grand jury [illegible] Tampa in sealed form [illegible] August 23 and kept secret until yesterday in order [illegible] seek the arrests.

Mr Akbar, however, is the only defendant thus far arrested. Mr Mueller said Washington [illegible] been working with Scotland Yard and the Serious Fraud [illegible] [illegible] London to seek the arrest of Mr Dildar Rizvi, the former BCCI treasurer who [illegible] also charged yesterday.

"We [illegible] [illegible] to believe Mr Rizvi [illegible] in England, but our efforts [illegible] arrest him have been unsuccessful", [illegible] Mueller said.

In London last night, Mr Michael Barrett, a Capcom director, said: "We [illegible] named in the earlier [illegible] in Tampa, but that [illegible] never followed [illegible] on."

[illegible] Akbar was sentenced in the UK [illegible] [illegible] months imprisonment last October for drug money laundering. [illegible] was released earlier this year on bail – [illegible] of the [illegible] of which was that [illegible] reside [illegible] a UK address.

[illegible] Akbar, in an interview with [illegible] [illegible] [illegible] last month, claimed [illegible] have [illegible] made the scapegoat for failings [illegible] BCCI, and denied involvement in money laundering.

He claimed that the $23m mentioned in yesterday's indictment, [illegible] [illegible] had [illegible] paid into Capcom by Finley International, a company [illegible] which he was [illegible] director, had nothing [illegible] [illegible] with Mr Noriega. Instead, [illegible] was money intended for a property development [illegible] [illegible] Tawfik [illegible] [illegible] run [illegible] El Rayan Investment Group in Egypt, he [illegible].

According [illegible] yesterday's indictment, Mr Naqvi and [illegible] [illegible] [illegible] a meeting in [illegible] in early 1988 [illegible] which "they discussed transferring approximately [illegible] in deposits [illegible] BCCI London, [illegible] by Mr Noriega and family, [illegible] BCCI Luxembourg [illegible] allay Noriega's [illegible] [illegible] [illegible] seizure by US officials". The money [illegible] later [illegible] [illegible] their direction [illegible] Luxembourg [illegible] accounts [illegible] several [illegible] banks, and eventually found [illegible] way through Finley International to Capcom, it is claimed.

Yesterday's [illegible] indictments, [illegible] [illegible] [illegible] in [illegible] US since the bank was [illegible] down on July 5, were unveiled as a Congressional report [illegible] US [illegible] [illegible] had [illegible] [illegible] [illegible] investigations of BCCI and had missed an opportunity to stop the bank's illegal activities despite having had information [illegible] BCCI impropri[illegible] as [illegible] back [illegible] [illegible].

Mr Charles Schumer, a Democratic congressman from [illegible] York, [illegible] [illegible] detailed report on [illegible] and said [illegible] in 1983 "law enforcement . . . had [illegible] [illegible] BCCI's shenanigans".

Under arrest: Police escort former BCCI treasurer Syed Ali Akbar in Calais yesterday

Japanese banker arrested over illegal loan scheme

By Stefan [illegible] in Tokyo

JAPANESE public prosecutors yesterday [illegible] a former [illegible] [illegible] Kyowa Saitama Bank, a leading commercial bank, [illegible] [illegible] [illegible] involvement in an illegal loans scheme.

Mr Kazuo Toyama [illegible] held on allegations [illegible] defrauding [illegible] financing companies of [illegible] ($29.2m) by using forged [illegible] [illegible] deposit.

He became the fifth bank employee to be arrested in the current spate of illegal loans [illegible] [illegible] have [illegible] embroiled Fuji Bank and [illegible] [illegible] Bank [illegible] Japan, [illegible] [illegible] leading banks. The Tokyo District Public Prosecutor's Office [illegible] Mr Toyama used the fake [illegible] [illegible] obtain loans illegally for [illegible] struggling car sales company.

[illegible], [illegible] [illegible] of hearings at the [illegible] parliament into the [illegible] ended [illegible] [illegible] testimonies from the presidents of IBJ, Fuji and Sumitomo Bank.

Mr Yoh [illegible] of IBJ denied that his bank was responsible [illegible] [illegible] loan fraud [illegible] at Toyo Shinkin Bank, a small Osaka [illegible], which lent huge amounts of [illegible] to Ms Nui Onoue, a [illegible] [illegible] [illegible]. [illegible] Onoue and an executive of Toyo Shinkin are under arrest for procuring loans illegally using [illegible] [illegible]uments.

Finance companies from which Ms Onoue borrowed argue that one reason they lent to her was that she was a [illegible] [illegible] IBJ. But Mr Kurosawa told [illegible] [illegible] [illegible] the Diet's upper house that finance companies which lent Ms Onoue money did [illegible] on their own judgment. Ms Onoue is on the brink of bankrup[illegible] with debts [illegible] [illegible] [illegible].

Opposition MPs yesterday demanded [illegible] bankers and [illegible] [illegible] [illegible] [illegible] should be summoned again [illegible] the Diet [illegible] their answers had been [illegible]tory. [illegible] the ruling Liberal Democratic party [illegible] blocking [illegible] such move.

The hearings have produced moments [illegible] [illegible] when MPs managed [illegible] [illegible] a [illegible] apparently contradicting him[illegible] [illegible] [illegible] witness, [illegible] when forced into [illegible] [illegible].

In a memorable episode, Mr Setsuya Tabuchi, the former chairman of Nomura Securities, the stockbroking company, [illegible] asked to explain how Nomura had [illegible] been put in touch with Mr Susumu Ishii, the gangland [illegible] [illegible] died this [illegible] and with whom Nomura had [illegible] dealings. Mr Tabuchi [illegible] the middleman had been a *sokai[illegible]* – *a* type [illegible] [illegible] specialising in disrupting company meetings. He said he had been able to remember [illegible] man's name until the day before the hearing but had [illegible] forgotten [illegible].

Some MPs [illegible] tough questions. Others, reading from prepared scripts, seemed barely to understand the (admittedly complex) cases they were investigating. A [illegible] tried [illegible] exploit [illegible] fact that the hearings were [illegible] live by making long speeches.

The end [illegible] the hearings [illegible] it [illegible] the Ministry of Finance and the public prose[illegible] [illegible] [illegible] [illegible] investigations. For MPs, the next task will be to examine reform proposals [illegible] be presented soon by the ministry.

Gorbachev wins backing for reform

[illegible] from Page 1

The State Council will hold its first meeting today, when the issue of independence for the Baltic [illegible] – Estonia, Latvia and Lithuania – will [illegible] discussed, according to [illegible] Boris Pankin, the Soviet foreign minister.

Mr Pankin said he could [illegible] predict the outcome, though the Baltic leaders are confident that the Council will rubber-stamp an independence which they consider already accomplished.

Mr Grigory Yavlinsky, the radical economist who is a member of the four-man committee which is now carrying [illegible] the functions of a union government, said in [illegible] speech in [illegible] last night [illegible] the World Economic Forum, based [illegible] Davos, Switzerland, that the committee was preparing an economic agreement under which republics could create their [illegible] currencies and tax policies.

He said that many of the leaders of the republics would be prepared to co-operate in order [illegible] fund [illegible] [illegible] army and basic scientific research, but added: "They will [illegible] these things into consideration and be willing [illegible] pay. What [illegible] cannot have is a situation where they want all [illegible] [illegible] things without being prepared [illegible] pay for them".

The majority of [illegible] [illegible] deputies, who have emerged from the upheaval as [illegible] strongest supporters [illegible] [illegible] maintenance of a union, are [illegible] that the transitional period will end with the signing [illegible] a Union treaty.

All the other republics, however, now preparing [illegible] [illegible] independent constitutions and create independent governments, [illegible] [illegible] present in no mood to sign up [illegible] [illegible] Union from which they have just escaped.

To accommodate [illegible] mood, the resolution [illegible] the new structures contains a clause, inserted in the Wednesday night's haggling, which makes explicit that participation in the economic agreement would not depend [illegible] signing [illegible] union treaty.

Möllemann pledges to cut corporate tax

By Christopher [illegible] in Bonn

FUTURE [illegible] in German corporate [illegible] [illegible] a squeeze on public spending were prom[illegible] yesterday by Mr Jürgen Möllemann, [illegible] [illegible] minister, in [illegible] [illegible] mounting anxiety [illegible] the [illegible]try's industrialists.

"The burdens [illegible] taxation and spending have [illegible] their limit", he told [illegible] Bund[illegible] during a debate on the 1992 budget.

Reform [illegible] corporate [illegible] was one [illegible] the coalition government's priorities, he [illegible]. "Our target is relief [illegible] trade, wealth and property [illegible] as well as the adjustment [illegible] high tax rates." [illegible] reductions would encourage foreign investors, help [illegible] companies and [illegible] new jobs, [illegible] said.

[illegible] was responding [illegible] [illegible] [illegible] the Federation [illegible] German Industry (BDI) [illegible] on the [illegible] [illegible] [illegible] the [illegible] earlier this week. Mr Heinrich Weiss, BDI president, said Germany's [illegible] strength was being [illegible] [illegible] "politicians do not [illegible] the strength or the will [illegible] [illegible] spending demands from all sides".

[illegible] BDI [illegible] [illegible] [illegible] about fading competitiveness and the drop in foreign [illegible]ment.

Mr Helmut Schlesinger, Bundesbank president, joined the argument with [illegible] reminder of the [illegible] for spending economies and wage restraint. "Pub[illegible] spending growth must be reduced to 3 per [illegible] a year [illegible]," he said in [illegible] newspaper interview.

This was [illegible] limit [illegible] on Tuesday by Mr [illegible] Waigel, [illegible] minister, who opened [illegible] budget [illegible] with a warning that he [illegible] [illegible] allow the ceiling [illegible] be [illegible].

Mr Wolfgang Roth, economics spokesman [illegible] [illegible] opposition SPD party, described as "social cynicism" plans [illegible] [illegible] value added tax by 1 [illegible] point to 15 per [illegible], while [illegible] the [illegible] [illegible] reducing company taxation.

He [illegible] called for greater support [illegible] heavy industry in [illegible] Germany.

THE LEX COLUMN

Drawing the line at BTR

BTR must regret [illegible] its current bid for Rockware pre[illegible] it from discussing trading prospects yesterday. There was thus little [illegible] distract attention from [illegible] decision [illegible] [illegible] [illegible] profit from [illegible] Pretty Polly [illegible] straight into [illegible] profit [illegible] loss account. This [illegible] arguably permissible under current accounting rules [illegible] BTR is [illegible] group whose [illegible] involves buying and selling other companies. [illegible] it is conventional to [illegible] [illegible] items below [illegible] line. [illegible] [illegible] [illegible] interim pre-tax prof[illegible] would [illegible] [illegible] £90m lower at [illegible] [illegible] perfectably reasonable [illegible] for these recessionary days.

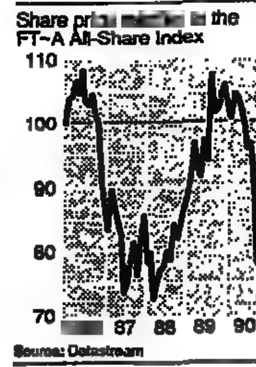
BTR's approach [illegible] [illegible] [illegible] April's [illegible] proposals from [illegible] Accounting Standards [illegible] (ASB) which [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] exceptional and extraordinary [illegible]. [illegible] [illegible], [illegible] only shows how much [illegible] [illegible] [illegible] [illegible] [illegible] run. [illegible] [illegible] [illegible] point of view, such treatment [illegible] for an unpredict[illegible] profits flow. It [illegible] [illegible] unanswered [illegible] problem that [illegible] [illegible] goodwill. The ASB [illegible] prefers goodwill [illegible] acquisitions to [illegible] written [illegible] through reserves, rather than passed through the profit [illegible] [illegible] account, but [illegible] could seriously inflate profits [illegible] disposals that [illegible] taken above [illegible] line.

The Pretty Polly [illegible] [illegible] also striking for the low value of £20m at which it was carried on BTR's books. Assuming its similar conservatism in valu[illegible] other [illegible], gearing, [illegible] [illegible] [illegible] cent, looks overstated. That in turn [illegible] [illegible] cover of ten times less surprising, and confirms the scope for BTR to go on the big acquisition trail. With yesterday's figures and the steep price he is paying for Rockware, Mr Alan Jackson, chief executive, has scarcely endeared himself to investors already impatient on that score. That explains why the shares ended [illegible] [illegible] 1 per [illegible] lower on the day.

FT-SE Index: [illegible] (−1.3)

BTR

Share pri[illegible] [illegible] [illegible] the FT-A All-Share Index



Source: Datastream

marketing. But while [illegible] pre-tax line survived the effect [illegible] [illegible] interest charges, earnings [illegible] held [illegible] by [illegible] provisions and [illegible] [illegible] [illegible] [illegible] capital bond.

[illegible] [illegible] the immediate outlook, currency movements [illegible] been [illegible] [illegible] [illegible] [illegible], [illegible] much so [illegible] net [illegible] [illegible] [illegible] will probably [illegible] [illegible] by [illegible] year-end [illegible] the usual heavy cash generation. [illegible] year borrowings [illegible] drop by [illegible] [illegible] £100m.

[illegible] [illegible] [illegible] better, though, [illegible] consider the nature [illegible] [illegible] feast. [illegible] has formidably strong businesses and [illegible] running them with an [illegible] [illegible] [illegible] long term – [illegible] brands will always [illegible] [illegible] [illegible] [illegible] with [illegible] [illegible] of [illegible]. With [illegible] pharmaceuti[illegible] [illegible] gradually [illegible] [illegible] indistinguishable from the core household products [illegible]ness, Reckitt should [illegible] [illegible] with [illegible] likes [illegible] Unilever and Procter [illegible] Gamble. On [illegible] basis, its [illegible] are more than fully [illegible].

Reckitt & Colman

The [illegible] [illegible] be lacking; [illegible] substance from Reckitt & [illegible]man is as solid as ever. Hence perhaps the market's continuing [illegible] affair with its [illegible]. The [illegible] from yesterday's interim results [illegible] that reorganising Europe and digesting Boyle-Midway in the US have not proved as straightforward [illegible] management hoped. Admittedly, [illegible] [illegible] [illegible] a formi[illegible] [illegible] and [illegible] [illegible] to it. Group margins improved despite higher spending on

Sun Alliance

[illegible] [illegible] [illegible] [illegible] [illegible] about the [illegible] [illegible] of UK mortgage [illegible] [illegible] after yesterday's [illegible] from Sun Alliance. [illegible] latest black hole [illegible] the [illegible] was viv[illegible] [illegible] last month when BAT's Eagle [illegible] subsidiary revealed first half [illegible]ing losses of more than £120m. [illegible] [illegible] 18 per cent market share, [illegible] [illegible] [illegible] [illegible] that [illegible] industry [illegible] [illegible] this type of business [illegible] [illegible] an alarming £1bn [illegible] [illegible] year.

Sun, which [illegible] a 20-25 per cent market share, immediately countered expectations that it had [illegible] similarly hit and duly came in yesterday with [illegible] [illegible] £50m underwriting loss for the same period. Part of the difference is probably due to the better quality of its lenders, part [illegible] be [illegible] by the [illegible] [illegible] [illegible] unearned premium [illegible] (premiums collected [illegible] not taken into the profit [illegible] [illegible] account). The discrepancy still looks odd, though, when both companies' numbe[illegible] appear to have provided for their [illegible] of building society repossessions, [illegible] well [illegible] firm claims. Besides speculating [illegible] Legal [illegible] General may [illegible] up next week, [illegible] market will doubtless [illegible]der [illegible] interim dividend [illegible]out. [illegible] 5 per cent rise is hardly [illegible] with the composite sector's premium rating.

Burmah Castrol

Burmah always admitted [illegible] acquiring [illegible] would be mildly dilutive; but it can scarcely attach that label to yesterday's 18 [illegible] cent reduction in [illegible] half [illegible]. Trading profits from Foseco [illegible] by more than a fifth, against a [illegible] for [illegible] that at the time of the bid. Add in [illegible] negative effects of an [illegible] [illegible] tax structure, and the acquisition will [illegible] [illegible] [illegible] slightly [illegible] than [illegible] until [illegible] [illegible] [illegible] [illegible] the rescue.

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] knock-down price Burmah could pay for [illegible] [illegible]gic [illegible]. [illegible] can perhaps [illegible] forgiven [illegible] not predicting just [illegible] bad [illegible] [illegible] would [illegible] – only Castrol managed [illegible] [illegible] performance. But [illegible] second half will have [illegible] be strong indeed [illegible] management [illegible] [illegible] [illegible] be left with some egg on its face. Burmah [illegible] [illegible] [illegible] nearly a fifth of their value rel[illegible] to [illegible] [illegible] since [illegible] start of last year. So far, there are few signs to justify a reversal of the trend.

[illegible] Circle

Blue Circle is another [illegible]pany whose experience [illegible] out little hope of [illegible] in [illegible] broader [illegible]. UK cement [illegible] [illegible] [illegible] falling but [illegible] to run 16 per cent below their last year's level. Careful control of costs and efficiency gains will help earnings rebound when recovery does finally come. Meanwhile, [illegible] balance sheet is strong, with [illegible] gearing of [illegible] [illegible] [illegible]. With good demand in overseas markets, this lends the [illegible] a curiously [illegible] quality, though the historic multiple [illegible] 12 means [illegible] may [illegible] be much [illegible] in [illegible] short run.

WORLDWIDE WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	27	81	Berlin	C	18	64	Caracas	C	29	84	Faro	F	29	84	Islamabad	F	32	90
Algiers	[illegible]	[illegible]	[illegible]	Biarritz	S	27	81	Casablanca	S	24	75	Florence	S	29	84	Istanbul	F	24	75
Amsterdam	[illegible]	20	68	Bombay	F	28	82	Chicago		-	-	Frankfurt	S	25	77	[illegible]	C	32	90
Athens	F	27	81	Bordeaux	F	27	81	Cologne	F	23	73	Geneva	S	25	77	Jersey	S	20	68
Bahrain	S	32	90	[illegible]	[illegible]	23	73	Copenhagen	F	18	64	Gibraltar	C	23	73	Johannesburg	S	24	75
[illegible]	F	33	91	Brussels	S	24	75	Corfu	S	27	81	Glasgow	S	22	72	Lima	C	19	66
Barcelona	S	25	77	Budapest	F	26	79	Dallas		-	-	Helsinki	F	11	52	Lisbon	S	25	77
Bermuda	[illegible]	28	82	Buenos Aires	C	17	63	Dublin	S	22	72	Hong Kong	S	28	82	London	F	22	72
Belfast	S	20	68	Cairo	S	32	90	Dubrovnik	S	25	[illegible]	[illegible]	S	25	77	Los Angeles		-	-
Belgrade	F	25	77	Cape Town	S	15	59	Edinburgh	F	[illegible]	72	Inverness	Dr	14	57	Luxembourg	S	25	77

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
Madeira	S	25	77	Milan	S	28	82	Nicosia	[illegible]	28	82	Salzburg	[illegible]	26	79	Tenerife	S	25	77
Madrid	S	27	81	Montreal		-	-	Oporto	S	23	73	San Francisco		-	-	Tokyo	S	31	88
Majorca	F	31	88	Moscow	C	15	59	Oslo	F	17	63	Seoul	R	22	72	Toronto		-	-
[illegible]	F	28	82	[illegible]	[illegible]	[illegible]	79	Paris	S	25	77	Singapore	F	31	88	Tunis	F	30	86
Malta	C	28	82	Nairobi	F	27	81	Peking	S	27	[illegible]	Stockholm	R	13	55	Valencia	F	29	84
Manchester	S	18	64	Naples	F	28	82	Prague	[illegible]	25	77	[illegible]	S	27	81	[illegible]	[illegible]	25	77
Manila	R	31	88	Nassau	F	32	90	Reykjavik	C	12	54	Sydney	[illegible]	21	70	Vienna	S	26	78
Melbourne	F	21	70	New Delhi	F	29	84	Rio de Janeiro	F	[illegible]	79	Taipei	F	35	95	Warsaw	S	22	72
Mexico City	C	25	77	New York		-	-	Rome	F	[illegible]	78	Tangier	F	26	77	Washington		-	-
Miami		-	-	Nice	S	28	82	[illegible]	S	27	81	Tel Aviv	F	29	84	Zurich	S	27	81

Temperatures at midday yesterday C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny [illegible] [illegible] T–Thunder

هكذا عند الأصل

RECRUITMENT

JOBS: Tokyo continues [illegible] world's dearest city, followed by Brazzaville, Oslo and Helsinki

How living costs compare across the globe

THE Jobs column is beginning to feel a touch superstitious about the international living-costs table that appears beneath. When I printed it a year ago, Saddam Hussein had just invaded Kuwait, January's update coincided with the start of the Gulf war, and now the [illegible] Union has been consigned to history. What might happen next time, I don't care to speculate.

One thing that stays stable, however, is the source of the figures. They come as before from the survey of world tax and cost levels by management consultants P-E International, which gives more copious data about many more countries than appear in the table. Anyone wanting the full report, price £300, should contact Michael Smith of P-E at Park House, Wick Rd, Egham, Surrey TW20 0HW; telephone 0784 434411, fax 0784 437828.

Since surveys take time, the figures are not bang up to date. The living-cost indices, based on London levels at 100 and referring to specific cities as distinct from whole countries, reflect the prices that prevailed last April. Unfortunately, since it is hard if not impossible to produce an [illegible]tionally consistent measure of housing [illegible], that important item of expenditure is left out of account.

The currency exchange-rates also date from April. But the inflation rates are the latest available when the survey went to press, and I have excluded any place with more than 10 per cent inflation. Two cities whose 10.7 per cent just disqualified them are Stockholm with an index of 123.5 and Hong Kong's Victoria with 93.9.

On the other hand, as prices are fairly settled in the places listed, the indices can be adjusted for exchange movements since April to give a reasonable idea of current costs. The update is made by taking the exchange rate in the table, dividing it by the latest market rate, and multiplying the result by the April index figure.

Last year, to set some benchmarks for before the Kuwait invasion, I did an August 1 update for 12 cities (not all in today's table). Here is how they compare with the indices for August 1 this year:

Place	1990	1991	Change
Tokyo	133.9	148.7	+14.8
Oslo	130.7	121.2	− 9.5
Geneva	120.8	109.9	−10.9
Copenhagen	118.0	108.3	− 9.7
Rome	105.1	102.3	− 2.8
Madrid	105.3	101.1	− 4.2
Paris	105.0	100.9	− 4.1
Brussels	108.8	100.5	− 8.3
New York	89.8	99.9	+10.1
Frankfurt	104.2	97.6	− 6.6
Riyadh	78.6	91.1	+12.5
Amsterdam	94.9	89.0	− 5.9

Accordingly, those figures outline the positions on either side of the Gulf conflict, but before the Soviet coup attempt and its early aftermath. And as may be seen, of the 12 places cited, only three grew more expensive by London standards during the interval: Tokyo, New York and Riyadh, all up by over 10 points. The rest became cheaper, considerably so in the cases of Geneva and Scandinavian capitals Copenhagen and Oslo.

If readers would care to predict what the positions will be next summer, when eastern Europe has had another year to settle down, I'll note their forecasts and report any which prove right on the day. Unless, that is, the past run of three coincidences continues and comes up with an upheaval that puts paid to me.

NOW to some jobs being offered through two separate recruitment consultants, neither of whom may name the employer. Both therefore promise to abide by any applicant's request not to be identified to their clients at this stage.

The first two posts, being handled by headhunter John Williams, are unusual in being based in Japan. The Tokyo office of an international financial concern is in need of a brace of economists.

The more senior will work as a high-level analyst with particular responsibility for forecasting broad developments in the Japanese economy, including interest-rate fluctuations and such. The junior recruit will act as a market strategist, using the forecasts to divine the best sectors, as opposed to specific stocks, to invest in.

Candidates for both must have success in similar work focusing on Japan, either having lived there or at least visited often enough to understand the culture. Fluency in the language will be a help, although it is not essential. The strategist, in particular, needs thorough knowledge of international equity markets. Salary indicators are £85,000 for the senior post and £55,000 for the junior. Perks include subsidised housing, bonuses and cars.

Inquiries to Russell, Williams and Associates, 43-45 St Mary's Rd, London W5 5RQ; tel 081-579 1082, fax 081-566 2024.

Today's other two openings are based respectively in Milan and Paris. Offered by recruiter Graham Walker of Anthony Nevile International, they are for sales and marketing managers to drive the European expansion of an international group's subsidiary producing promotional material, such as brochures.

Candidates, for either post must be completely familiar with and the country in question and fluent in its language, and have success in opening up new markets for a comparable business. The salary indicator is £40,000-£45,000, with incentive bonuses and cars among the perks.

Inquiries to Mr Walker at 69 Midton Rd, Ayr, Scotland KA7 2TW; tel 0292 287969, fax 0292 611038.

Michael Dixon

Place	Living cost index	Infla-tion %	Exch'ge rate £1 =	Place	Living cost index	Infla-tion %	Exch'ge rate £1 =	Place	Living cost index	Infla-tion %	Exch'ge rate £1 =
Japan, Tokyo	139.6	4.0	245.50	Taiwan, Taipei	97.7	5.1	47.55	Brunei	83.4	2.5	3.12
Congo, Brazzaville	121.4	5.5	502.75	Germany, Frankfurt	97.0	2.8	2.96	Rwanda, Kigali	83.4	0.7	228.02
Norway, Oslo	120.1	3.5	11.55	USA, New York	96.1	4.9	1.74	UAE, Dubai	83.0	10.0	6.36
Finland, Helsinki	119.5	4.8	7.03	N Yemen, Sana'a	95.7	3.1	20.91	UAE, Abu Dhabi	82.8	10.0	6.38
Libya, Tripoli	113.4	4.4	0.50	Ireland, Dublin	95.3	2.6	1.11	Cyprus, Nicosia	81.6	3.9	0.82
Surinam, Param'ibo	113.4	0.8	3.10	Barbados, Bridget'n	95.2	3.4	3.49	Jordan, Amman	81.4	8.8	1.13
Switzerland, Zurich	111.7	5.9	2.53	Oman, Muscat	95.0	1.6	0.67	N Zealand, Well'ton	81.4	5.0	2.96
Ivory Cst, Abidjan	111.2	0.5	502.75	Qatar, Doha	92.4	1.6	6.31	Morocco, C'blanca	80.5	6.9	13.67
Denmark, Copenh'n	107.9	2.4	11.40	Australia, Sydney	92.0	4.9	2.24	Indonesia, Jakarta	79.4	5.6	3,379.17
Mauritania, N'chott	107.5	6.3	134.38	Bahrain, Manama	90.3	0.9	0.65	China, Beijing	79.2	3.2	9.13
Liberia, Monrovia	105.3	4.5	1.74	Trinidad, Pt o Spain	89.9	9.5	7.37	Thailand, Bangkok	77.9	6.0	44.00
Italy, Milan	105.1	6.7	2,207.25	Canada, Toronto	89.7	6.3	2.01	Fiji, Suva	77.2	8.5	2.58
Bahamas, Nassau	103.3	6.7	1.74	Cuba, Havana	88.6	7.0	1.38	Lesotho, Maseru	75.4	9.4	4.75
Ethiopia, A Ababa	102.6	-2.1	3.58	S Arabia, Riyadh	88.6	2.0	6.50	Nigeria, Lagos	72.4	1.4	16.46
Seychelles, Victoria	102.6	4.0	9.10	US, Los Angeles	88.6	4.9	1.74	Panama	72.1	3.0	1.74
Spain, Madrid	101.6	5.9	182.95	Netherlands, A'dam	88.3	2.6	3.34	Tunisia, Tunis	72.1	7.5	1.65
France, Paris	100.4	3.2	10.05	Luxembourg	87.3	4.4	61.20	Malaysia, K Lumpur	71.3	4.1	4.84
UK, London	100.0	6.4	1.00	Malta, Valletta	86.4	6.2	0.57	Egypt, Cairo	70.5	7.2	5.72
Austria, Vienna	99.4	3.5	20.79	Singapore	86.1	3.3	3.12	Algeria, Algiers	59.4	6.2	30.12
Belgium, Brussels	99.3	2.9	61.20	PapuaNG, P Moresby	85.7	8.1	1.68	Romania, Bucharest	47.6	–	65.76

Commodities

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[illegible]r client is a substantial Middle Eastern Institution which has made a significant commitment to expanding its activities to include the international trade of commodities. The position, based in Riyadh, calls for a high calibre entrepreneur able [illegible] develop both business and trading strategies. The successful candidate should have experience of a range of soft/agricultural products, be familiar with all [illegible] techniques and ideally have some exposure to countertrade/barter business.

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ACCOUNTANCY COLUMN

Small words may usher in tougher standards

By Roger Davis

LAST month the new Accounting Standards Board presented the next major steps in the progression towards tougher UK accounting standards. It explains its mission in the shape [redacted] definitive Statement [redacted] Aims, and [redacted] authority in [redacted] draft Foreword [redacted] Accounting Standards.

[redacted] the same time, it published [redacted] of the first two chapters of a Statement of Principles. The drafts deal respectively [redacted] the objective and the basic characteristics of financial statements.

They represents the beginnings of a conceptual framework, for which many see an urgent need. Still to come are drafts on: the elements making up financial statements; when to recognise income and costs; and principles of measurement, presentation and consolidation.

These early documents are far from routine. A few seemingly innocuous new words and phrases in the Statements of Principles may well herald the requirement for a sea change in all companies' attitudes to financial reporting. So [redacted] who is unhappy with the AS[redacted]guage would do well to speak now.

The drafts add new terms to the lexicon of the true and fair view: amongst them "faithful representation" of the underlying commercial activity and "neutrality".

They are coupled with an unambiguous statement that accounts should be free from bias. The ASB says that accounting presentation should not "influence the making of a decision or judgment in order to achieve a predetermined result or outcome".

In plain language, it all suggests that putting any sort of gloss on the numbers is out. No one, least of all the ASB, believes that it will ever stop the natural tendency for companies to put a public relations face on their results: "Everyone else will do it. So must we" is the prevailing attitude. But the ASB's language is clearly designed to kill the philosophy, more often espoused by pedlars of creative accounting schemes than by responsible directors, that such schemes are fair game provided that you remain within the rules.

No one, least of all the ASB, believes that it will ever stop the natural tendency for companies to put a public relations face on their results... The ASB's language is designed to kill the philosophy, more often espoused by pedlars of creative accounting schemes than by responsible directors, that such schemes are fair game provided that you remain within the rules.

As I tell my clients on the receiving end of the marketing of such schemes, it's not just that you will delude your shareholders about your financial position. You as management will delude yourselves. That will be quite as serious a disservice to your shareholders.The complete Statement of Principles appears wordy, but to date contains a lot of [redacted]

So far so good. I hope then that the eventual standards themselves will not have so many words. The Ten Commandments are remarkable for their clarity. "Thou shall not commit adultery" is so obvious a command that it doesn't need elaboration. The more you try to define adultery in accounts, the more you will probably encourage the cottage industry in pretending that adultery really isn't that at all. In the final analysis, it depends on directors' and auditors' attitudes in upholding the spirit of the standards.

Now to some of the other aspects of the ASB's drafts. They say, not surprisingly, that accounts should be useful to users in making economic decisions. Who are the users and what decisions do they make? The Statement of Principles recognises that legitimate users include not only investors but employees, lenders, suppliers, customers, the government and the public – any stakeholder in the business, if you will.

However, it gives primacy to investors on the basis that meeting *their* needs is likely to meet most of the needs of the other users, insofar as they can be met by general purpose financial statements. That reflects international thinking. It moves away from the traditional view that investors are the only legitimate users of accounts but does not go so far as to accord equal consideration to all users. The statement suggests that investors need information "to help them determine whether they should buy, [redacted] sell". [redacted] in [redacted] aligning accounts solely with a short-termist attitude to investment.

It is at odds with the fashionable view that shareholders should see their holdings not only as a tradable commodity but be encouraged to have a longer term commitment to companies.

Expressing the objective of financial [redacted] in terms of [redacted] to decisions, [redacted] by [redacted] relate to the future, means [redacted] accounts should have predictive value. The ASB also rightly recognises the [redacted] role of accounts in reflecting past stewardship. A lot has been said elsewhere about the limitations of balance sheets, but the balance sheet is, or at least should be, an excellent record of how management has spent its shareholders' funds and therefore on what it needs to earn a return.

Information is of little use unless the reader can be reasonably assured of its truthfulness.The newly released statements [redacted]tain some fighting talk. Of themselves, they will not improve [redacted] quality of financial reporting overnight. Unless they become more than mere talk they could actually increase the gap between the expectations of users and preparers of accounts.

So predictive value is only one of a "shopping list" of characteristics of accounting information set out by the ASB. Others include relevance to users, reliability, reflecting substance and economic reality, completeness, comparability and timeliness.

Accounts [redacted] be [redacted] by the reasonably diligent and knowledgeable user. These qualities may [redacted] unobjectionable, but they may lead to significant changes in accounting practice.

Missing from the list of characteristics is the need for verifiability. Information is of little use unless the reader can be reasonably assured of its truthfulness.The statements contain some fighting talk. Of themselves, they will not improve the quality of financial reporting overnight. Unless they become more than mere talk they may even increase the gap between the expectations of users and preparers of accounts.

The public may assume that imperfections have been addressed, when in fact there is a long road ahead. However, the statements provide the basis for a shared understanding of what accounts are trying to achieve.

They lay the [redacted] what the ASB describes as evolutionary rather than revolutionary change. That is as it should be. We should not sacrifice an environment which encourages the majority of companies to follow the spirit for the sake of those who do not. Every indication is that the ASB is proceeding in a workmanlike manner towards ensuring that standards of financial reporting are improved.

The ASB should be warmly encouraged in its endeavours.

Roger Davis is head of Coopers & Lybrand Deloitte's accounting and audit practice.

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Our finance department is central to the future development of the company. By providing a wide range of highly efficient accounting services, informed decisions can be made regarding the allocation of these resources throughout the drug development process. Restructuring of the department has created an excellent career opportunity for a management accountant to maintain a financial systems and analysis service capable of meeting all UK and European management/scientific requirements on strategic plans, operational revenue, capital budgets, project costing and human resource *planning. Your immediate challenges will be to build a* strong financial systems and analysis team and, as part of the continuing merger process, ensure the complete integration of the IFPS - (or equivalent) financial software package with the digital VAX system used by our scientists around the world.

A fully qualified graduate accountant, you will have 6-10 years' industrial or commercial experience and extensive knowledge of operational accounting/financial analysis and of the management utilisation of financial systems. A strong knowledge of computer applications is important, *whilst a second European language would be an* advantage. Perhaps most crucial, will be your first-class interpersonal skills, ability to work independently, and highly professional approach to your work.

A comprehensive benefits package includes a car, *bonus, pension and share-matching schemes, private* health care, and relocation assistance where appropriate.

If you're looking to join a company whose culture is one of reward and achievement, please send a full cv to *Alf Caws, Personnel Department, SmithKline Beecham* Pharmaceuticals, Brockham Park, Betchworth, Surrey RH3 7AJ.

SB
SmithKline Beecham
Pharmaceuticals

FINANCE DIRECTOR

c£35k + [illegible]

Premier Biscuits, a division of Premier Brands and makers of Cadbury Biscuits and Smash Instant Potato are looking for a Finance Director to help maintain a competitive edge in their UK and international markets.

The Premier Biscuits style is informal, accountable and hands-on where hard work and commitment is taken for granted. Our business which employs 1400 people is based at our manufacturing site on the Wirral.

Reporting to the *MD* you *will be fully involved in the strategic and commercial decision making* processes of the business.
Responsibilities also encompass management and statutory accounting, together with systems development directed towards the timely production of management information. With significant expansion in recent years and ever increasing autonomy you must be able to manage change whilst maintaining the existing core disciplines.

Likely candidates will be qualified graduate accountants with previous experience in a blue chip [illegible] You will be used to making a significant contribution to the management of a large business and will be an excellent communicator and motivator.

An attractive benefits package is being offered commensurate with this role based on a salary of c.£35k, plus executive car, bonus and private medical insurance. In addition relocation assistance will be given where appropriate.

Please apply in writing giving details of your current salary package to:

Tim Ellis
Personnel [illegible]
PREMIER BRANDS (UK) LTD
[illegible]
WIRRAL, Merseyside, L46 8SE

PREMIER
BRANDS

Financial Management

London — **Salary negotiable**

Our client, a division of a leading publishing corporation, [illegible] expanding its business as a multi-media publisher of company information, serving both the UK and European markets. To meet the accounting demands arising from this expansion it wishes to strengthen its finance function by the appointment of two senior accountants to the following positions:

FINANCE MANAGER

Reporting to the Finance Director, this position will be responsible for all aspects of financial accounting and will manage, through two reporting lines, a team of 10 people employed on Credit Control, Sales Ledger and Bought Ledger.

Suitable candidates will be qualified accountants with good systems and financial accounting skills acquired in a fast-moving commercial environment.

SENIOR MANAGEMENT ACCOUNTANT

Reporting to the Finance Director, this position will have prime responsibility for developing the management information systems required to provide financial and non-financial information on a regular and timely basis.

Suitable candidates will be qualified, preferably ACMA with at least 2 years experience in an analytical role, ideally within the publishing industry.

For both positions suitable candidates will [illegible] excellent communication skills, oral and written, combined with [illegible] maturity and self-confidence required [illegible] effectively [illegible]

Applicants for either post should apply in writing enclosing a comprehensive career history [illegible]

AGB Executive
Box 283, London EC1N 2NE.

Finance Director

East Anglia — **£40,000 + Car + Bonus**

We are currently acting for a dynamic, £20m turnover manufacturer of fast-moving consumer goods. The company is a subsidiary of a successful plc with an impressive record of organic and acquisition based growth.

The requirement is for an ambitious finance professional to join the key management team at board level. In addition to managing the finance function, the successful candidate will be expected to contribute to the strategic running of the business. Experience of managing and developing costing systems for high-volume production operations is a pre-requisite.

You are likely to be ACMA/ACA qualified with a successful track record that includes the management of a finance function in a production/manufacturing concern, ideally in a business supplying the retail trade. Candidates must be able to demonstrate energy and commitment, together with the confidence and presence to command respect both within *and outside the organisation.*

Candidates should in the first instance, write with full Curriculum Vitae (including salary details) to **Rod Bateman ACA, Michael Page Finance, Imperial Building, Victoria Street, Nottingham NG1 2EX.**

MP
Michael Page Finance
Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Financial Director Designate

Docklands — **c£40,000 + Car + Benefits**

Our client is a highly successful international media services group with ambitious plans for continued growth via acquisitions, joint ventures and organic expansion.

This newly created role reports directly to the Chief Executive and encompasses all aspects of financial management and control, systems development, treasury and company secretarial duties. As a key member of the *management team, primary responsibilities* will be to ensure that the Group operates with maximum financial efficiency, to play a leading role in corporate strategy and to manage and develop a highly motivated finance department.

The candidate we seek will be a commercially minded qualified accountant aged 30-45, with experience at the sharp end of a small/medium sized international business. Maturity, a hands on approach, and the ability to work at board level in a team environment are pre-requisite to the appointment. A reasonable level of fluency in French, or a second European language is also highly desirable.

Interested applicants should send a full Curriculum Vitae quoting reference 901 to **Diane Forrester ACA, Executive Selection Division, Michael Page Finance, Page House, 39-41 Parker Street, London WC2B 5LH.**

MP
Michael Page Finance
Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Chief Financial Officer

Greater Manchester
c£35,000 + Car + Profit Share + Benefits

Our client is a £12 million turnover subsidiary of a multinational group operating as an importer of high-quality consumer goods in diverse domestic markets. As a market leader, it has enjoyed strong growth over recent years and has ambitious plans for further expansion in the future.

An energetic, hands-on Accountant is now required to work closely with the Managing Director in providing broad finance and administrative support for the commercial direction of the business. Emphasis will be placed on developing robust computerised systems to handle high-volume, complex transactions and maintaining strict procedural control over working capital. As Number Two to the Managing Director, liaison with external professional advisers will be an important aspect of this role.

Candidates will be qualified accountants who can *demonstrate sound technical skills and significant* experience of computerised systems development gained in a fast-moving commercial environment. You will need strong drive and a high level of commitment to take advantage of this exciting opportunity.

Interested candidates should send a curriculum vitae to **Mark Hurley ACMA, Regional Manager, Michael Page Finance, Clarendon House, 81 Mosley Street, Manchester M2 3LQ, quoting ref: M14829.**

MP
Michael Page Finance
Specialists in financial recruitment
London Bristol Windsor St Albans Leatherhead Birmingham
Nottingham Manchester Leeds Glasgow & Worldwide

Passed Finalists List

CIMA

The names given below are successful candidates in CIMA's Stage 4 (final) examination taken in May 1991. In the United Kingdom the pass rate was 49.2%. The pass rate for home and overseas students combined was 38.5%. The locations given are those of the exam centre where the candidates sat.

A

DT ABBOTT, Leeds, H ABDUL HAMID, London East, AS ABEYSINGHE, Colombo; GR ACQUAAH-ARHIN, London East; JN ADAMS, Slough; GM ADDICOTT, Kingston-upon-Thames; OB ADEBOWALE, London South, HK ADEDEJI, London West, AM ADENIYI, Reading, AB AKINYELE, London West; AR AL SALEH, Dubai, NJ ALCOCK, Newcastle, S ALDERMAN, Blackburn, C ALDRIDGE, Newcastle; BR ALLAN, Leicester, WM ALLAN, Aberdeen; NJ ALLAWAY, London Central, E ALLEN, Croydon, JE ALLEN, Watford; KP ALLEN, Southampton; SB ALLEN, Manchester; SJ ALLEN, Leeds, GJ ALMOND, Dunstable, GG AMER, Croydon, HNR AMERESEKERE, Colombo; MZ AMIT, Colombo, ID AMOYE, London East, [redacted] ANANDA [redacted] London Central, PJ [redacted] Northampton, KL ANDERTON, Manchester, C ANDRASSY, Wakefield; ICR ANDREW, [redacted]borough, LK ANDREW, Reading, JE ANDREWS, Stoke, A ANGELIDIS, London West, DM ANGILLEY, Southampton; CD ANNELY, Southampton; P ANSELL, Cambridge, CNS ANTHONY, Colombo, KN APPASAWMY, London East, E APPIAH DANQUAH, London East, AD ARAMBEWELA, Colombo; DT ARBUCKLE, Glasgow, CJ ARCHER-LOCK, Nottingham, JP ARGYLE, Coventry, FE ARIS, Edinburgh; P ARMSTRONG, Newcastle; TMA ARMSTRONG, Croydon, JE ARNOTT, Watford; JH ARROWSMITH, Birmingham, RF ARTHUR, London Central, PA ARUL, Kuala Lumpur, AJ ASHBOLT, Worthy Down, I ASHLEY, Nottingham; MG ASHLEY, London North, RF ASSINDER, Luton, Z ATAUN-FITZJOHN, Peterborough; M ATHERSMITH, [redacted] JW ATKIN, [redacted] EMP ATKINSON, Glasgow, RF [redacted] London [redacted]

B

EAA BABAFEMI, Lagos; [redacted] BACHE, [redacted] JM [redacted] Wigan, [redacted] BAILIFF, Liverpool; CC [redacted] Cambridge, [redacted] Brighton [redacted] PT [redacted] Southampton, [redacted] BAKER, Reading; PR BAKRANIA, [redacted] Central, [redacted] BALDWIN, Orpington; PL BALE, Reading, [redacted] BANNISTER, [redacted] BARAKZAI, Croydon; RJ BARKER, [redacted] BARNES, Derby, TJ [redacted] Watford, CEB [redacted] Liverpool, S BARRETT, Watford, DH BARROW, Exeter, G BARROW, Sheffield, WA BARRY, London Central, MA BARTLETT, Cambridge, SM BARTON, York, PG BASCOMBE, Southampton; RJ BATEMAN, Coventry; P BATES, [redacted] DP BAXENDALE, Wigan, RF BEACH, Wolverhampton; MJ BEALE, Coventry; PD [redacted] Reading, RA BEER, Reading, [redacted] BEESLEY, Southampton; S BEHAN, [redacted] AM BELL, Leeds; GJ BELL, Newcastle, IR BELL, Belfast; [redacted] BENFIELD, Southampton; [redacted] BENNETT, London West; GP BENSON, Manchester; MG BENSON, Manchester, J BERESFORD, York, C BERRY, [redacted] DF BERRY, Cheltenham; AR [redacted] Nottingham, PKD BEVAN, Bristol; R BIE, Wigan; NT BILLING, Reading, DE BIRD, Southampton; R BIRKETT, Watford, SR BISHOP, Slough; JB BLAIR, Southampton, A BLAND, London South; JA BLANDFORD, Bristol, LJ [redacted] Southampton, [redacted] BLOOMER, Derby; PA [redacted] Slough, [redacted] BOA, Edinburgh, AM BODE, Edinburgh; MD BODGER, Liverpool, [redacted] BOERE, [redacted] P [redacted] London East; J [redacted] JI BOND, Leeds, RG BOND, Southampton, BONG SIU NAM, Kuching; ML BONNEY, Slough; LGC BOUGH, London East, CJ BOUGHTON, Cambridge; G BOYLE-THOMAS, London West, DP BRADBURY, Wolverhampton; BJ BRAGG, Newport, J BREDDY, Glasgow; MM BRENNAN, Stoke; A BRIDDEN, Stoke, AC BRODRIBB, Bristol; GPA BROHAN, Watford, [redacted] BROWN, Manchester, AP BROWN, Manchester, AR BROWN, Leeds; DLT BROWN, Maidstone; GA BROWN, London North; KM BROWN, Blackburn; PA BROWN, London East; SC BROWNING, Kingston-[illegible]

[illegible]

The Chartered Institute of Management Accountants Telephone: 071-637 2311 Telex: 25816 CIMA G Fax: 071-631 5309

The Chartered Institute of Management Accountants
63 Portland Place London W1N 4AB

FINANCIAL TIMES
COMPANIES & MARKETS
Friday September 6 1991

INSIDE

Uranium producers face military glut

Hard-hit uranium producers now face [illegible] threat of a market glut, [illegible] military stockpiles – equivalent [illegible] tonnes of [illegible] uranium – may be dumped on the world market, according to a study published yesterday by the Uranium Institute. Page 26

Cookson profits fall 76%

Cookson, the UK industrial materials group, has reported a 76.2 per cent fall in pre-tax profits to £17m ($28.7m) [illegible] the six months to June [illegible]. Robert Malpas, chairman, (left) described the decline as "unsatisfactory". A [illegible] of disposals more than halved [illegible] year's [illegible] to £246.7m. Page [illegible]

Epic performance at MGM

As complex as any Hollywood thriller, the legal battle for control of MGM [illegible] a web of broken promises and undocumented loans. [illegible] Zagor looks behind [illegible] one of the most intriguing performances this year in the US. Page 19

Tonic for French shares

[illegible] reforms [illegible] by the French government for an overhaul of the pharmaceutical industry have provided a tonic to drug [illegible] the Paris [illegible]. At the heart of the reforms [illegible] to improve the [illegible] competitiveness of the sector. Back Page

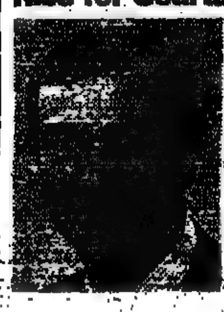
Looking after the margin

Margin trading in Japan, [illegible] for 19 per [illegible] of turnover and almost [illegible] trading by individual investors, has [illegible] unique [illegible] the hybrid company, Japan Securities Finance, which plays a key role in the running of the market. Emiko Terazono reports. Page 22

Burmah Castrol down to £72m

Burmah Castrol, the UK lubricants, [illegible] fuels group, saw first-half pre-tax profits hit by the Gulf crisis, [illegible] currency movements and the [illegible] financing a £259m acquisition. Profits slipped 9 per cent to £72.2m ($121m). Page 25

Rise for Courtaulds Textiles



A cut [illegible] helped Courtaulds Textiles produce a moderate increase in interim pre-tax [illegible] a 10 per [illegible] decline in operating profit. Martin Taylor, chief executive, [illegible] said trading conditions were "the most difficult for a decade". Profits improved to £16.6m. [illegible] Page 23

Sharp decline at BTR Nylex

BTR Nylex, the 62 per cent subsidiary of BTR in the UK, reported a sharp decline in earnings for the [illegible] to June 30. [illegible] dropped 41 per cent to A$151m (US$118.80m) Page [illegible]

Good times for Malaysian cocoa

The slump in world cocoa prices has brought good news for Malaysian producers. Page 26

Chief price changes yesterday

FRANKFURT (DM)				**PARIS (FFr)**			
Rises				Rises			
Colonia Konz	910	+	30	Bouygues	570	+	11
Bragerwerk	324	+	9	CSF	1125	+	25
Hapag	410	+	10	Merlin-Gerin	544	+	16
Falls				Total B	894	+	48
DLW	524	–	12	Falls			
Varta-West	347	–	10	Gaumont	780	–	10
Zanders Fein	285	–	9	Schneider	748	–	16
NEW YORK ($)				**TOKYO (Yen)**			
Rises				Rises			
Browning Fer.	21⅛	+	⅜	Lion	724	+	74
Centocor	45	+	4½	Penta-Ocean	795	+	66
Xoma	15¾	+	¾	Rohm	2880	+	280
Falls				Sanden	675	+	55
Borden	33½	–	2¼	Tokyo Electric	890	+	55
ISP	16½	–	2½	Toyo Chemical	604	+	65
Occidental	24⅜	–	½				

New York prices as at 12.30pm.

LONDON (Pence)							
Rises				Matthew Clark	425	+	20
ACT	131	+	7	Microfilm	185	+	12
Japan Comp	130	+	7	Resources	45	+	5
Austin Reed A	171	+	6	Specialeyes	36	+	5
Bazaar	94	+	11	Vardy (Reg)	118	+	10
Black Arrow	33	+	8	Vaux	240	+	11
BR Airways	190	+	9	Welsh Water	394	+	13
Borton	48¼	+	2⅛	Wickes	70	+	6
Clyde Vysels	178	+	8	Wimpey (G)	187	+	9
Emess	31	+	7	Falls			
Elan	212	+	14	BOC Group	587	–	12
Excalibur	54	+	5	Electrocomponts	279	–	9
Glaxo	1385	+	20				
Hamboo Crude	58	+	4½				

BTR's accounting upsets analysts

By Andrew Bolger in London

BTR, the UK industrial conglomerate, infuriated City of London analysts yesterday by changing its accounting policy to produce higher than expected profits.

The reported pre-tax profits of £512m [illegible] in the six months to June 30 [illegible] well above most forecasts. However, BTR included in the figure a gain of £90m from the recent disposal of its Pretty Polly hosiery business.

Mr Alan Jackson, BTR's new chief executive, [illegible] decided to [illegible] the results of disposals in a new segment of trading profits [illegible] corporate activities.

This reflected the group's stated intention to [illegible] a [illegible] active trader [illegible] and was [illegible] in line with proposed new accountancy standards.

By taking the profit from Pretty Polly above the line, BTR showed a 1.2 per cent [illegible] last year's interim profits, adjusted for currency movements.

However, [illegible] the impact of the disposal is stripped out, the pre-tax figure falls by 11.2 per [illegible].

Analysts contended that BTR had jumped the gun by using the new approach, which is still under [illegible] expected to take [illegible] until next [illegible] according to the Accounting Standards Board.

The board aims to [illegible] the debate [illegible] whether individual gains or losses should be treated as exceptional or extraordinary – and thus be treated above or below the line – by putting nearly all transactions through the profit and loss account.

Analysts also [illegible] the [illegible] BTR booked profits in the first half from the Pretty Polly disposal, which it only [illegible] on August 12.

[illegible] analyst [illegible] "If it was concluded in June, why didn't they announce it [illegible]"

Ms Kathleen O'Donovan, BTR's recently appointed finance director, [illegible] the [illegible] was [illegible] in June, [illegible] the announcement was delayed at the request of the purchaser, Sara Lee [illegible].

BTR [illegible] rose 9p to [illegible] when the figures were first announced, but fell back quickly and closed at 424p, down 5p on the day.

Apart from the row [illegible] accountancy policy, the results [illegible] well received. Turnover dropped from [illegible] £3.29bn, adjusting for exchange rate movements, but earnings per share rose from 16.7p to to 17.4p. The interim dividend was lifted from 7p to 7.5p.

Lex, Page 16;
Nylex falls 41%, Page [illegible]

French defence producers are growing increasingly co-operative, reports William Dawkins

Missiles that wipe out old rivalry

Until recently, the French defence industry [illegible] pride itself on [illegible] giving the impression that competition between its producers was encouraged.

Just how much the decline in world demand for defence equipment has cooled [illegible] bravado [illegible] yesterday when Thomson-CSF, the state-controlled defence [illegible] group headed by Mr Alain Gomez, announced that it was to turn over [illegible] production of its [illegible] missile to Euromissile, the 20-year-old [illegible] of Aérospatiale, also state-owned, and MBB, the German missile group.

This could well be the prelude to wider co-operation on other weapons. "For the future, we are not [illegible] minded," said Mr Noël Clavelloux, [illegible] of Thomson's missiles systems branch. Future co-operation would be [illegible] step by step when market opportunities arose.

The missile at the centre of yesterday's accord is the VT1, a short-range weapon capable of travelling 10km at 3.5 times the speed of sound, the fastest in its class.

The VT1 can be used by the launchers in [illegible] system and will be modified for Euromissile's Roland system, thereby offering a cheap [illegible] with the same weapon for these formerly fierce competitors.

"Aérospatiale will avoid the high cost of developing a new missile and Thomson-CSF will have a [illegible] market in which [illegible] the development cost of the VT1," said [illegible] "This co-operation will [illegible] competition [illegible] the members," [illegible] costs, added Mr Jean-Louis Fache, director of Aérospatiale's [illegible] division.

Between them, Thomson and Euromissile hope to make 60 per cent of the short-range ground-to-air [illegible] sold outside the Soviet Union.

[illegible] 25,000 old-style [illegible] and 6,000 Crotales are in service, mainly with the German and French military, with an estimated replacement value of

Bolt from the [illegible] Alain Gomez is to [illegible] VT1 missile to a European consortium

FFr30bn ($5bn), according to Mr Fache.

Not long ago, the Euromissile partners and Thomson-CSF [illegible] plans. Just over a year ago, Aérospatiale and MBB embarked on a FFr1bn programme to produce a new Roland, code-named RM-5, with Matra, the French space, telecommunications and transport group.

At the same time, Thomson was planning to pool its entire missiles business with British Aerospace, to create Eurodynamics, which would have been Europe's leading producer.

Six months ago, Thomson pulled [illegible] its [illegible] Aerospace deal saying the market had become too uncertain to embark on such an ambitious joint venture. In July, the Euromissile partners [illegible] their [illegible] by shelving indefinitely the [illegible].

Eurodynamics [illegible] at the time, said Mr Clavelloux, but there is now far more demand for retrofits of existing missile systems than for completely new weapons.

[illegible] also makes the missile bodies for the early generations of Crotales which carry Thomson electronics. The company [illegible] 25 per cent of turnover from defence, mainly from three [illegible] missile programmes but it began to lose its involvement in the new Crotale five years ago, when Thomson turned to the missiles and electronics division of LTV, the ailing US steelmaker, to make the VT1 for the new-generation Crotale, the first orders for which are now being shipped.

Matra has also been cut out of [illegible]. Admittedly, it [illegible] spent less than FFr20m on the RM-5 project, and [illegible] work on other products with [illegible] and Euromissile.

Yet Matra is also facing increasing competition in another important area of its business, the Espace family vehicle, which accounted for [illegible] per cent of group [illegible].

Stockbroking analysts believe [illegible] will now be under [illegible] to limit itself to a smaller market, making air-to-air missiles, though the [illegible] strongly [illegible] this.

It is equally bad [illegible] LTV, which [illegible] just shipped [illegible] first and last 1,000 VT1 missiles for Thomson, and will now see production shifted to Euromissile's four French and [illegible] from next [illegible].

While LTV will no doubt shed a tear, it cannot be surprised, as a possible shift of production to Europe was foreshadowed in the original contract, [illegible] Thomson.

Reckitt purchase adds to profits

By Jane Fuller in London

TAXABLE profit at Reckitt & Colman, the UK-based household products and food group, rose [illegible] per cent to £127.6m ($215.6m) in the first half of the year, thanks [illegible] North American acquisition.

Reckitt bought Boyle Midway, a household products and toiletries business, for £713m halfway through last year. Sir Michael Colman, chairman, said it added about £200m to sales, which totalled £994.1m (£843.5m), and accounted for most of the £34m growth in trading profit to £147.5m.

However, the acquisition also lay behind [illegible] of interest costs, and a further after-tax charge of [illegible] (£770,000) on convertible capital bonds issued to help finance the deal.

Sir [illegible] said the reduction of debt from about £360m in December had been delayed by dollar appreciation and [illegible] spending on reorganisation. Exchange [illegible] movements [illegible] reduced trading profit by £7m.

He pointed to improvements in the profit margin, particularly in continental Europe and North America, saying "this is fundamental [illegible] generation [illegible] justify the acquisition". However, conditions remained difficult in the [illegible] main international [illegible].

Mr John [illegible] Lawrence, who retires as chief executive at the end of this year, said that flat sales of £180m in the UK followed a business disposal. Trading profit of £31.3m (£25m) was helped by a £3.2m pensions gain.

On the continent sales rose to £272.8m (£221.3m) and profit jumped by 45 per cent to £44m.

In North America, profit more than doubled to £25m (£11.9m) on [illegible] of £292.7m (£191.9m). With the integration of [illegible] nearly complete, Reckitt was turning its attention to [illegible] ing brands and bringing out new products.

Profits improved in [illegible] asia and Africa, but fell back in Latin America.

[illegible] the Boyle acquisition, household products accounted for 70 per cent of trading profit, compared with [illegible] per cent.

Food, a lower margin business, had a flat first half, affected by a disposal, the strengthening dollar and slow soft drink sales in the UK. Pharmaceuticals benefited from rationalisation.

Fully diluted earnings per share [illegible] by [illegible] per cent to 20.22p (19p).

The interim dividend goes up to 5.55p [illegible].

Lex, [illegible] 16; Observer, Page 14

Strong US result lifts Ahold to 10% growth in quarter

By [illegible] van de Krol in Amsterdam

AHOLD, the Dutch supermarket group which [illegible] operates [illegible] large grocery chains in the [illegible] US, yesterday reported a 10.2 per [illegible] in second-quarter profit, as strong growth in the US outstripped a more modest gain at home.

Net profit in the second quarter rose to Fl 64.4m [illegible] from Fl 58.5m in the same period of 1990, raising first-half results to Fl 140.8m from Fl 126.3m, a gain of 11.5 per cent.

The figures [illegible] analysts' expectations, and [illegible] 3.3 per [illegible] to close up Fl 2.60 at Fl 82.50.

Ahold said that operating profit in the US surged by 64 per [illegible] $41.2m, [illegible] mainly to the first-time consolidation of the recently acquired Tops Markets supermarket chain in New York state.

In the Netherlands, operating profit showed a slight 1.8 per [illegible] rise to Fl 39.4m. The company [illegible] that domestic profit growth had been held back by wage rises as well as by the disappointing performance of its institutional food supply division which is undergoing restructuring.

Although operating profit [illegible] up [illegible] per [illegible] overall, a rise in [illegible] charges connected to the Tops acquisition limited growth in net profit [illegible].

[illegible] dual-currency interim dividend has been [illegible] Fl 0.30 and [illegible] a slight rise from the Fl 0.30 and $0.075 payout at the end of the [illegible] first half.

Second-quarter sales in the Netherlands [illegible] by 7.6 [illegible] Fl 2.4bn, [illegible] US sales jumped by 37 per cent to $1.4bn due to the Tops takeover. Excluding Tops, the rise in US [illegible] just under 7 [illegible].

Ahold's three other US chains – BI-LO, Giant, and First National – all posted sales increases, but growth [illegible] hampered by the US recession, the company said. It repeated earlier forecasts that after-tax results would show a rise in the full year [illegible] 1991 compared with 1990, in spite of the increase in interest charges prompted by its most recent US acquisition.

New discoveries in Walker probe

By Robert Peston in London

THE DISCOVERY of a second allegedly forged letter and a dispute over more than £5m ($8.5m) [illegible] commission payments lay behind [illegible] decision by Brent Walker's directors to ask the Serious Fraud Office to investigate the group.

The Serious Fraud Office is examining payments of between £5m and £6m in [illegible]. Brent Walker's records say [illegible] were [illegible] Mr Michael Eland, a Paris-based property dealer.

Brent Walker found a letter, apparently signed by Mr Eland, which was in effect an invoice for more than £5m in commissions. Last month, Brent Walker's directors led by Lord Kindersley, who became chairman in January, confronted Mr Eland with this letter. He [illegible] it. He agreed the signature was his, but [illegible] he had not written the letter and not received the payments.

Investigations by the company's auditor, Peat Marwick, found the commissions appear to [illegible] been transferred to one of Brent Walker's [illegible] subsidiaries and [illegible] through a network of subsidiaries.

[illegible] no evidence the payment had [illegible] made to Mr Eland.

Lord Kindersley and his new executives were puzzled by the payments because they were much bigger than other commissions paid to Mr Eland. The payments also seemed large compared with the service Mr Eland appeared to have provided. One payment for almost £3m [illegible] described in company documents as a commission for arranging a £5m investment in [illegible] property.

Mr George Walker was chairman and [illegible] executive of Brent Walker when the payments [illegible] made.

He said yesterday he did not remember Mr Eland's letter but [illegible] a lump sum was paid to Mr Eland to cover several pieces of business [illegible] by Mr Eland to the company.

Mr Walker added this payment [illegible] approved at a full board meeting.

Last month [illegible] was confronted with the mystery of these commission payments, it also received reports from [illegible] experts [illegible] letter, apparently signed by the Irish property entrepreneur, Mr [illegible] Power, had been forged.

INTERNATIONAL COMPANIES [illegible] FINANCE

Oerlikon-Bührle in SFr200m los[illegible]

By William Dullforce in Geneva

OERLIKON-BUHRLE, the [illegible] industrial and armaments [illegible] which has been the object of [illegible] radical restructuring over the past [illegible], [illegible]terday disclosed a first-half operating loss [illegible] around SFr200m ($131m).

In 1990, the group reported an operating [illegible] [illegible] SFr91m, while the parent [illegible], hit by restructuring costs, posted [illegible] net loss [illegible] SFr254m.

All the activities [illegible] the industries division [illegible] [illegible] be sold off or shut down by [illegible] end [illegible] [illegible] and [illegible] military division will be further shrunk. Some 980 jobs will be lost in [illegible] by [illegible] end [illegible] [illegible] in the first half, group [illegible]nel [illegible] reduced by [illegible].

Mr Hans Widmer, chairman, said that with [illegible] expected [illegible] be SFr800m higher in [illegible] second half from the invoicing [illegible] some large military contracts and with restructuring [illegible]sures starting [illegible] take effect, the operating result would certainly not be worse by the [illegible] [illegible] the [illegible] and could show some improvement. But restructuring costs would still [illegible] to be taken into [illegible].

During the first half, turn[illegible] [illegible] SFr1.6bn [illegible] 12 per cent down while for [illegible] subsid[illegible] remaining after [illegible] recent disposals of the welding and insurance companies incoming orders [illegible] SFr1.4bn [illegible] 22 [illegible] cent lower than in the first [illegible] months of 1990.

Oerlikon-Bührle's biggest problem is that it has failed to find a buyer for [illegible] military division which has generated SFr1.2bn in restructuring costs to date in addition [illegible] an investment of some SFr1bn in a guided missile system, Adats, which [illegible] been [illegible] [illegible] only [illegible] customer.

Nevertheless, Mr Widmer said, restructuring [illegible] date had [illegible] the vicious circle of lower cash flow and increasing net debt, although improvements at the operational [illegible] were not yet enough to ensure [illegible] profitable future.

Group turnover would [illegible] reduced [illegible] around SFr3.5bn compared with the SFr4.5bn at which [illegible] had remained stuck [illegible] 1986. Cash flow had to be increased from an expected SFr70m in the current year to SFr300m.

Even with that increase, [illegible] indebtedness could be reduced only slightly [illegible] [illegible] current [illegible] by [illegible], due to continuing commitments [illegible] large-[illegible] military projects. These projects [illegible] no longer [illegible] [illegible] operating result after 1991 but would continue to put [illegible] strain [illegible] liquidity.

Sun Alliance to lift mortgage premiums

By Richard Lapper in London

SUN ALLIANCE, the UK's [illegible] composite (general [illegible] life) insurer, yesterday announced [illegible] it would increase mortgage indemnity insurance premiums by 50 [illegible] [illegible] in October.

The [illegible] made the announcement as [illegible] posted pre-[illegible] [illegible] [illegible] £114m ($192.6m) for [illegible] [illegible] [illegible] months of 1991.

Sun Alliance [illegible] [illegible] [illegible] of [illegible] UK insurers to report heavy [illegible] [illegible] the period. [illegible] have been battered by [illegible] [illegible] claims [illegible] [illegible] [illegible] premium [illegible] have remained competitive.

Sun Alliance is the leading UK underwriter [illegible] [illegible] mortgage indemnity policies – which [illegible] lenders against [illegible] [illegible] they might incur [illegible] [illegible] [illegible] repossessed properties. [illegible] [illegible] number of [illegible] [illegible] rising as a result of mort[illegible] defaults, Sun Alliance registered underwriting [illegible] [illegible] £50m in the [illegible] half of 1991.

In [illegible] [illegible] [illegible] months, [illegible] [illegible] expects a further [illegible] in mortgage indemnity losses. Annual premium [illegible] amounts [illegible] approximately £50m.

The provisions indicate [illegible] Sun [illegible] [illegible] [illegible] [illegible] [illegible] optimistic [illegible] on trends in mortgage indemnity claims [illegible] [illegible] Star, [illegible] BAT [illegible]sidiary. Eagle [illegible] [illegible] [illegible] smaller market [illegible] [illegible] [illegible] Alliance but [illegible] [illegible] of £121m in the [illegible] half [illegible] [illegible].

Mr [illegible] Nelson, general manager of finance [illegible] Sun Alli[illegible], [illegible] [illegible] he judged the provision to be adequate.

Irrespective of differing [illegible] [illegible] the losses, other UK [illegible] in [illegible] [illegible] seem cer[illegible] [illegible] [illegible] Sun [illegible] example with [illegible] [illegible].

The mortgage indemnity [illegible] contributed to Sun [illegible] recording pre-tax [illegible] of £114m, which [illegible] the [illegible] [illegible] in [illegible] first six months of [illegible]. However, [illegible] year's [illegible] [illegible] adversely affected by the [illegible] [illegible] during [illegible] winter [illegible] [illegible], indicating [illegible] [illegible] [illegible] [illegible] a deterioration [illegible] underwriting experience [illegible] [illegible].

A sharp climb in claims from subsidence damage to residential houses to £61m – following two dry summers – and [illegible] 50 per [illegible] [illegible] in theft [illegible] helped push UK underwriting [illegible] [illegible] [illegible] against [illegible].

Overall worldwide non-life premium [illegible] increased by [illegible] [illegible] [illegible] to £1.43bn [illegible] [illegible] premiums contributing a further [illegible] [illegible] in [illegible]nue. Underwriting [illegible] worldwide amounted [illegible] £305.2m (£314.9m), but were [illegible] [illegible] by [illegible] profits [illegible] [illegible] (£23.6m) [illegible] investment income of [illegible] (£172.3m).

The [illegible], which [illegible] still financially the strongest [illegible] [illegible] UK, said that the strength of [illegible] [illegible] sheet coupled [illegible] expected [illegible] [illegible] insurance [illegible] enabled [illegible] [illegible] per [illegible] [illegible] in the interim dividend from 5.00p to 5.25p.

Recession sends Blue Circle down 38% to £57.5m

By Andrew Taylor, Construction Correspondent, in London

THE [illegible] recession in [illegible] and US [illegible] [illegible] [illegible] pre-tax profits of Blue Circle, one [illegible] [illegible] world's biggest [illegible] manufacturers, tumbling 38 per [illegible] [illegible] £57.5m ($97.4m) during the [illegible] six months of [illegible] year.

Turnover fell to £530.8m [illegible] [illegible] as demand from [illegible] building industry continued to [illegible].

Mr Jim McColgan, [illegible] executive, said cement sales in Britain during the first half fell 16 per cent as [illegible] effects [illegible] [illegible] recession in the construction industry widened.

[illegible] and [illegible] [illegible] by Blue [illegible] [illegible] in the US fell about 12 per cent after taking [illegible] [illegible] new acquisitions. Sales were [illegible] by [illegible] than [illegible] [illegible] [illegible] in some states, said Mr McColgan.

Blue Circle produces just under half of all cement sold [illegible] Britain.

The company recently diversified into household products in the UK where it manufactures boilers, bathroom and kitchen products. Last year, it acquired Ceramica Dolomite, the Italian sanitaryware manufacturer.

UK cement profits during [illegible] [illegible] half [illegible] by [illegible] [illegible] [illegible] [illegible] [illegible] from £37.2m. UK property development profits fell more sharply [illegible] £6.6m [illegible] [illegible] due mainly [illegible] the timing [illegible] development [illegible] expec[illegible] in the second half of this year.

In the US, profits from cement, concrete and aggregates fell by more than two-thirds [illegible] [illegible]. The market in [illegible], Georgia, [illegible] Blue Circle [illegible] [illegible] in recent [illegible], is [illegible] [illegible] pick up as construction work begins for the 1996 Olympics, planned [illegible] the city.

[illegible] profits in Malaysia doubled from £1.5m to £3m. [illegible] [illegible] [illegible] held steady [illegible] [illegible] but dipped slightly [illegible] [illegible] from £9.3m [illegible] [illegible].

[illegible] products rose by a quarter [illegible] £23.4m thanks [illegible] a first-time contribution from [illegible].

The group's balance [illegible] remained strong despite [illegible] increase in net debt from £262m at the end of last year [illegible] £316m at [illegible] end of June.

The company has declared [illegible] maintained interim dividend of 3.75p.

[illegible] Page 1[illegible]

Sasea loses SFr220m and seeks MGM deal

By William Dullforce [illegible]

SASEA HOLDING, the parent company for [illegible] investment banking group [illegible] by Mr Florio Fiorini, made a [illegible] [illegible] SFr220m [illegible] for [illegible] [illegible] year to June 30. As [illegible] result, its equity [illegible] [illegible] reduced to SFr250m compared with a nominal capital of SFr402m.

[illegible] participated in the $1.3bn [illegible] of MGM-[illegible], [illegible] Hollywood studio group, by Mr [illegible] Parretti, the Italian financier with whom Mr Fiorini had [illegible] [illegible]. Sasea now [illegible] that it [illegible] co-operating with Crédit Lyonnais, which provided most [illegible] [illegible] finance for Mr Parretti's takeover, [illegible] find a buyer [illegible] MGM-Pathe.

The [illegible] [illegible] that [illegible] [illegible] [illegible] the MGM-Pathe stake would probably be delayed [illegible] months until [illegible] situation [illegible] more favourable [illegible] [illegible] [illegible] [illegible] that [illegible] [illegible] [illegible] and [illegible] profit could be realised when announcing [illegible] [illegible] profit [illegible].

[illegible] [illegible] consists of [illegible] [illegible] [illegible] and [illegible] SFr67m investment in [illegible] International, [illegible] company which [illegible] the [illegible] for Mr Parretti's purchase of MGM-Pathe. [illegible] slide from [illegible] SFr26m profit in [illegible] [illegible] a SFr220m loss has been prompted by other difficulties. It has [illegible] [illegible] SFr175m in provisions for losses on trading operations, mainly in Yemen, [illegible] and Guinea. The operations were [illegible] [illegible] [illegible] beginning [illegible] [illegible] year.

For some months the [illegible] [illegible] [illegible] trying [illegible] sell [illegible] and reduce group debt, which amounted to SFr1.2bn at the end [illegible] 1989. It [illegible] sold [illegible] [illegible] [illegible] per [illegible] [illegible] Tamoil [illegible] and 10.5 per [illegible] in Tamoil (Italia), where it partnered the Libyan [illegible] leum Company. It has reduced its [illegible] by SFr300m through the [illegible] [illegible] real [illegible] holdings [illegible] the [illegible] group [illegible] Milan.

More deals [illegible] under [illegible]ation with C[illegible] which, together with [illegible] already realised, should [illegible] group debt by some SFr700m, Sasea said. The management [illegible] [illegible] reduce debt [illegible] SFr300m.

[illegible] [illegible] [illegible], [illegible] 19

Dutch financial services group moves ahead 18.8%

By Ronald van de Krol

INTERNATIONALE Nederlanden Group (ING), the newly-formed Dutch financial services group, posted an 18.8 [illegible] cent increase in first-half net profit and [illegible] a "satisfactory" rise in full-year results.

The company, formed in [illegible] through the merger between Nationale-Nederlanden, the biggest Dutch insurer, and NMB Postbank, the country's third largest bank, said net profit rose to Fl 746m [illegible] in [illegible] first [illegible] months [illegible] 1991.

In [illegible] same period of [illegible] year, the partners posted a combined net profit of Fl 628m. A reason [illegible] [illegible] strong profit rise [illegible] a turnround in non-life insurance, which managed [illegible] produce [illegible] slim profit of Fl 7m after a loss of Fl 135m in early 1990 [illegible] to heavy winter storms in north-western Europe.

This improvement helped the former [illegible] [illegible] a 27 per cent rise in net profit, compared with [illegible] [illegible] per [illegible] increase for its [illegible] partner NMB Postbank.

Describing [illegible] first-half performance [illegible] good, ING announced an interim [illegible] of Fl 1.50, a rise of nearly 5 per cent compared with Fl 1.43 a [illegible] earlier. The figures, the first presented by the [illegible] company, were released after the close of bourse trading yesterday.

In life insurance, ING posted a pre-tax profit of Fl 220m compared with Fl 226m in the 1990 first half. The group attributed the flat life results to high start-up costs in new markets such as [illegible] and South Korea.

In banking, the group saw a [illegible] per cent rise in international [illegible] helping to compensate for a [illegible] 3 per [illegible] growth [illegible] [illegible] [illegible] home.

At the end of June, international lending accounted for 17 per cent of the total credit portfolio, compared with [illegible] [illegible] cent a year earlier. [illegible] lending rose 6.8 per cent.

SCA cuts forecast for current year

By Robert Taylor in Stockholm

SVENSKA Cellulosa Aktiebolaget (SCA), the [illegible]ing [illegible] pulp [illegible] [illegible] company, has lowered [illegible] prof[illegible] forecast for [illegible] current [illegible]. Earnings (after [illegible] finan[illegible] [illegible] [illegible] [illegible] [illegible] by [illegible] much as 10 per cent from last year's figure of SKr2.135bn [illegible], the [illegible] said.

The drop [illegible] profits would [illegible] been much greater if [illegible] [illegible] programme had [illegible] been pushed through [illegible] SCA [illegible] would contribute a [illegible] gain [illegible] SKr500m. This included the [illegible] [illegible] [illegible] jobs.

Without [illegible] [illegible] [illegible] [illegible] [illegible] deterioration in profits (after net financial items) would [illegible] [illegible] around [illegible] per [illegible] from the SKr2.135bn achieved in 1990 rather than the 20 per [illegible] [illegible] predicted [illegible] the first four months' results were published. It added that [illegible]ings [illegible] share would be higher than [illegible] [illegible] at [illegible] compared with [illegible] [illegible] 1990.

The company said that there were "no indications that the market situation" in [illegible] [illegible] improve [illegible] autumn.

UCB falls 23% [illegible] BFr1bn

By Paul [illegible]

UCB, Belgium's third-largest chemical and pharmaceutical group, yesterday reported pre-[illegible] [illegible] down [illegible] per [illegible] from BFr1.3bn ($36.3m) to BFr1bn [illegible] [illegible] [illegible] [illegible] months [illegible] [illegible] June.

Mr George Jacobs, [illegible] group's president, said that weakness in [illegible] [illegible] [illegible], particularly [illegible] [illegible] [illegible] [illegible] had [illegible] the results. Fierce competition in the sector meant that full-year profits would be [illegible] than in 1990.

The 1992 financial year would be much better. He expected [illegible] company's anti-allergic drug Zyrtec [illegible] be licensed in the US next year.

The group announced it had acquired the shares it did not already own in Radcure Specialities, the resins manufac[illegible] [illegible] buying Rhône Poulenc's 49.9 per cent stake.

Operating profits fell 11 per cent from BFr1.1bn to BFr1bn and exceptional items dropped from BFr465m to BFr236m.

Framatome in [illegible] over US joint ventures

By William D[illegible]

FRAMATOME, [illegible] leading [illegible] builder [illegible] [illegible] reactors, is negotiating [illegible] take majority control [illegible] [illegible] two US joint ventures in power station maintenance and nuclear fuel supplies.

Babcock & Wilcox, the engineering subsidiary of [illegible] International, the US energy services group, said it was talking to the French group with [illegible] aim of [illegible] half its [illegible] in [illegible] Nuclear [illegible] Company and B&W Fuel Company.

Framatome took a [illegible] per [illegible] [illegible] in [illegible] services com[illegible] [illegible] [illegible] [illegible]. It [illegible] [illegible] [illegible] 49 per [illegible] [illegible] in the fuel supplier, in a consortium with [illegible] French nuclear fuel producers, Uranium Pechiney and Cogema.

The [illegible] [illegible] [illegible] [illegible] [illegible] stakes to 75 per cent by the end of the year, leaving Framatome the opportunity to buy more later.

While Framatome has never sold a nuclear plant in the US, it has been keen to make use of [illegible] reputation as a large plant supplier to gain entry into the growing [illegible] for maintenance and servicing.

The purpose of buying into the Babcock & Wilcox [illegible]nies was to gain a [illegible] presence, Framatome [illegible] explained at the time.

INTERNATIONAL COMPANIES AND FINANCE

MGM battle uncovers web of intricate deals

Karen Zagor follows the Parretti court case

A WEB of broken promises and undocumented loans which does little credit to either Mr Giancarlo Parretti's business methods or Credit Lyonnais Bank Nederland's (CLBN) lending practices has emerged in the legal battle for control of MGM.

The Delaware court case centres on whether Mr Parretti, the controversial Italian entrepreneur, breached a corporate governance agreement signed in April when the bank agreed to lend MGM $145m to keep the studio out of the bankruptcy court on the condition that Mr Parretti ceded day-to-day control. Mr Parretti's lawyers contend that it was the bank that violated the agreement.

The bank is seeking a permanent injunction to bar Mr Parretti and two associates from serving as directors, while Mr Parretti is fighting to regain control of MGM.

In an interview, Mr François Gille, deputy director-general of Credit Lyonnais and a member of CLBN's supervisory committee, [illegible] the confused and complex negotiations which led CLBN to acquire an exposure of almost $900m to Mr Parretti.

Credit Lyonnais's relationship with Mr Parretti was forged through its Dutch subsidiary which had a long and generally lucrative history of investments in Hollywood predating its acquisition by Credit Lyonnais in 1983.

Mr Parretti's involvement with CLBN dates from 1987 when he acquired Cannon Group, the foundering B-movie studio that was a long-standing CLBN customer. Cannon was renamed Pathé Communications.

But when Mr Parretti, who is appealing a jail sentence for fraudulent bankruptcy in Naples, started putting together his $1.3bn bid for MGM in March 1990, concern about his past and the source of his funds had made him such a political liability in France that the French government blocked his bid for control of Pathé Cinema.

Credit Lyonnais says it told CLBN to reduce its exposure to Mr Parretti's empire before he embarked on the MGM deal.

But, last July, Credit Lyonnais admitted its CLBN subsidiary had lent Parretti's various companies $880m, excluding about $400m in factoring. The bank, which had been silent about its exposure to Parretti through most of this year, said the litigation had allowed it to break banking protocol about outstanding loans to customers and release details.

Even more embarrassing for Credit Lyonnais was CLBN's admission in the court case that it not only advanced $160m to Mr Parretti to help complete the purchase, but also failed to document every aspect of the transaction. Last year, CLBN denied it had been involved in the acquisition.

As one of the terms of Mr Parretti's deal with Mr Kirk Kerkorian, who held 80 per cent of MGM, Mr Parretti agreed to forfeit $353m if the takeover failed.

Credit Lyonnais says that, only days before the deal was supposed to close, Mr Parretti went to CLBN and said he needed a bridging loan of $160m or the takeover would collapse.

The bank's risk was about $200m in loans to other Parretti entities if the deal had failed. The amount was secured by assets. Mr Gille, the Credit Lyonnais director who was brought in earlier this year to help [illegible] MGM, is adamant the funds were provided as part of a short-term loan which was to be replaced almost immediately with three permanent investments which Mr Parretti had promised.

"I recognise a lack of documentation of the bridge financing, for which there may have been good reasons," said Mr Gille. "Looking back, I wish it had been handled differently. "With hindsight, there may have been an error of judgment to believe in the promises of Mr Parretti for investors."

But it was [illegible] to deliver the funds quickly.

However, Mr Parretti's colleagues claim the lack of loan documentation was part of an elaborate cover-up to hide the bank's exposure to Mr Parretti.

In court, Mr Parretti's lawyer said "we do, and will, contest that these were bridge financings and there was any commitment by Mr Parretti" to substitute the $160m with outside investments in MGM.

The bank alleges Mr Parretti promised investments of $60m from the UK company, Rank Film Laboratories, which he said was covered by insurance bonds, and a contribution of $50m from Fininvest, the privately-held media company controlled by Mr Silvio Berlusconi, and another $50m from Mr Kerkorian.

In a letter to the bank, Mr Parretti said he would reimburse the $50m from Mr Kerkorian one day after the closing. The bank says Mr Parretti later repaid this.

Mr Parretti's deposition shows the [illegible] commitment from Fininvest - described in [illegible] October 1990 [illegible] from [illegible] managing director of Fininvest to CLBN as "[illegible]" - was anything but irrevocable.

According to Mr Parretti's deposition, Mr Berlusconi said that if he could get a bank loan he would consider [illegible] ment, but if he had to pay cash it would be impossible. Mr Parretti added Mr Berlusconi wanted a guarantee he would not be called upon to invest in MGM if he changed his mind.

CLBN says it never saw a penny from Fininvest or Rank to cover the $110m outstanding. Both [illegible] were several contingencies link[illegible] a possible Rank investment. Rank had merely [illegible] a [illegible] in[illegible]t in [illegible] MGM. The bank [illegible] that [illegible] bonds meant [illegible] the Rank contribution were to be false.

The bank said the negotiating continued with Rank and Fininvest, which is also [illegible] Credit Lyonnaise client [illegible] Milan, through June.

Although the Parretti camp insists the paperwork is lacking in several other CLBN transactions, [illegible] Gille [illegible] only [illegible] in documentation at [illegible] to the $110m loans made [illegible] expected [illegible] ments from [illegible] Rank".

Mr Parretti's [illegible] been [illegible] as many [illegible] hard to trace them. The [illegible] Lyonnais loans [illegible] a byzantine collection [illegible] companies [illegible] which MGM [illegible]

Together with Mr Florio Fiorini, [illegible] Italian [illegible] financier who has [illegible] Mr Parretti's main backer, [illegible] were juggled and multiple companies were used to fund the Hollywood deal. MGM [illegible] bank about $400m. Melia, a Madrid-based owner of travel agencies, in which Mr [illegible] sub[illegible] shareholder, [illegible] CLBN about [illegible]

Credit Lyonnais [illegible] has now [illegible] real[illegible] balance between the autonomy of [illegible] and [illegible] control from Paris.

Stung by [illegible] cannot keep track of [illegible] lending practices of its own [illegible] laries in Europe, Credit Lyon[illegible] Mr Gille [illegible] this "does [illegible] mean [illegible] we don't exer[illegible] control on the activities of our subsidiar[illegible] and we [illegible] strengthened Paris con[illegible] there were reasons [illegible] do so".

As [illegible] result of the MGM debacle, [illegible] Lyonnais [illegible] setting [illegible] special unit in [illegible] Angeles to handle [illegible] Los Angeles investments, which had been handled only from Rotterdam.

The [illegible] expected to take [illegible] will be followed by a lender liability [illegible] in [illegible] Angeles, where Pathe is seeking more [illegible] $1bn in damages from [illegible] Lyonnais.

Giancarlo Parretti: battle [illegible] corporate agreement

Hyundai, Goodyear in plant link

By John Ridding in Seoul

HYUNDAI Petrochemical, a subsidiary of the Hyundai Group, one of South Korea's largest conglomerates, is moving into the production of synthetic rubber through a technology transfer agreement with Goodyear, the US tyre company.

The new business will be the first to use materials from Hyundai's $2bn petrochemical complex, completed earlier this year.

Part of the planned production of synthetic rubber will be supplied to Hyundai Motors, another Hyundai subsidiary and Korea's largest carmaker. Under terms of the agreement, which awaits approval from the Korean government, Goodyear will supply technology for the production of the synthetic rubber.

Hyundai declined to disclose the amount it was paying for the technology transfer.

Hyundai plans to produce 80,000 tons of synthetic rubber a year after it starts production in 1994. This total will include 30,000 tons of styrenebutadiene rubber and butadiene rubber and 20,000 tons of other rubber.

Hyundai will get its supply of butadiene, a key ingredient in [illegible] rubber, from its naphtha-cracker plant on the west coast [illegible] Korea.

The company's decision [illegible] manufacture synthetic rubber has prompted fears of over-capacity in the Korean market. Yukong, [illegible] largest oil refiner, and Daelim, a Korean petrochemical company, plan to move into production of synthetic rubber. Analysts foresee little increase in demand.

A spokesman for Hyundai Petrochemical, however, said he saw [illegible] difficulty in finding [illegible] for its rubber.

Brambles suffers first decline for [illegible] years

By Mark Westfield in Sydney

BRAMBLES Industries, [illegible] Australian [illegible] and waste management group, yesterday [illegible] profit decline for 18 years. The com[illegible] posted net earnings [illegible] per [illegible] A$192.12m (US$150.8m) [illegible] the [illegible] to June 30.

Group operating profit for the year [illegible] tax [illegible] abnor[illegible] 6.7 per cent to A$311.83m on the previous year's earnings of A$334[illegible] Sales revenues were 11.2 per cent up [illegible] A$2.29bn, [illegible] partly [illegible] the inclusion [illegible] revenues from recently-acquired bulk haulage and heavy haulage operations in [illegible] and the UK. Elsewhere, revenues were flat, with recession in its main market in Australia as well as in [illegible] UK [illegible] US holding [illegible] performance.

The stock jumped 15 cents over the day, peaking [illegible] 20 cents above Wednesday's close, after directors decided to pay [illegible] special 5 [illegible] fully-franked dividend on top of its steady final dividend of 25 cents, [illegible] free, [illegible] take [illegible] pay-out for [illegible] year [illegible] 55 [illegible] fully franked.

Brambles said [illegible] special dividend was [illegible] partial distribution of its surplus franking credits.

Nylex slides 41.6% to A$258.93m

By Mark Westfield

BTR NYLEX, the 62 per cent subsidiary of BTR in the UK, joined the growing ranks of Australian groups reporting sharp falls in earnings.

Equity net profit for the six months to June 30 fell 41.6 per cent to A$151.14m from [illegible] (US$203.24) [illegible] the corresponding period lastyear.

Profit falls in most of its markets in Australia and the US were only partly offset by improved earnings in operations in Malaysia, Thailand, Indonesia and Japan.

Sales in its main market, Australia and New Zealand, were down 12.6 per cent to [illegible].24bn, and earnings for the region dropped 44 per cent to A$177.1m as a result of tight margins in [illegible] automotive, building products and commercial [illegible] businesses.

[illegible] and institutional investors, who had [illegible]seen a slump [illegible] this order, have steadily marked down [illegible] from its recent high of [illegible] a share in May to [illegible] terday's [illegible] A$2.76, up [illegible] on [illegible] day.

Citic Pacific wins Hang Chong

A CONSORTIUM led by Citic Pacific, the Hong Kong-listed [illegible] Peking's China International Trust & Investment Corporation, [illegible] night won control [illegible] Hang Chong, a trading and agency group.

Earlier this week Citic Pacific bid HK$6.94bn (US$894.3m) [illegible] Angus Fos[illegible] in [illegible] Kong.

The consortium, involving Mr Li Ka-shing and Mr Robert Kuok, announced it had received irrevocable undertakings for [illegible] Hang Chong's shares. The [illegible] therefore unconditional.

NOTICE OF ADJOURNED MEETING

[illegible] the holders of the outstanding
Yen 10,000,000,000
Floating Rate Guaranteed Notes Due 1993
of

IMI Bank (International)

unconditionally and irrevocably guaranteed by

Istituto Mobiliare Italiano

[illegible] is hereby given to the [illegible] (the "Noteholders") [illegible] outstanding Yen [illegible] Floating [illegible] Guaranteed [illegible] Due [illegible] (the "Notes") [illegible] IMI Bank [illegible] (the "Issuer") that the Meeting [illegible] Noteholders [illegible] by the [illegible] 9th August, 1991 at 11.00 a.m. (London time) [illegible] the [illegible] July, 1991 published in the Financial [illegible] Luxembourg Wort was adjourned for lack [illegible] a quorum and that the adjourned meeting [illegible] Noteholders convened by the Issuer will be held at Barrington House, 59-67 Gresham Street, London EC2V 7JA on 20th September, 1991 at 11.00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution [illegible] will [illegible] an Extraordinary Resolution in accordance [illegible] the provisions of the Trust Deed [illegible] January, 1988 [illegible] between the Issuer, Istituto Mobiliare Italiano as guarantor [illegible] The Law [illegible] Corporation p.l.c. [illegible] for [illegible]

EXTRAORDINARY RESOLUTION

"That [illegible] Meeting [illegible] the holders of the [illegible] Yen [illegible] Floating [illegible] (the "Notes") [illegible] IMI B[illegible] (International) (the "[illegible]") [illegible] by the Trust [illegible] 4th January, [illegible] "Trust Deed") made [illegible] Issuer, [illegible] Mobiliare Italiano ("IMI") [illegible] The [illegible] Trust Corporation p.l.c. (the "Trustee") [illegible] for the [illegible] the [illegible] (the "[illegible]") hereby:–

(1) assents to the modification of the Terms and Conditions of the Notes as printed on the reverse of them and in the Second Schedule to the Trust Deed by the deletion of the [illegible] "IMI [illegible]easing to be a public statutory body" from Condition [illegible] and the insertion at [illegible] end [illegible] Condition 9(5) of the following:–
"if IMI [illegible] to comply with any of [illegible] obligations [illegible] the [illegible] Poll [illegible] in the [illegible] Deed)";

[illegible] every abrogation, modification, compromise [illegible] arrangement in respect [illegible] the rights of the Noteholders against the Issuer or IMI [illegible] in or resulting from [illegible] to [illegible]ph (1) of this Resolution; and

[illegible] authorises and requests the Trustee to concur in the modification referred to in paragraph (1) of this [illegible] and, in order to give effect to it, forthwith to execute a Supplemental Trust Deed in the form of the draft produced to this Meeting and for the purposes of identification signed by the Chairman of it with such amendments (if any) to it as the [illegible]

PROVIDED THAT:–

[illegible] sanction, [illegible] and request is conditional upon [illegible] formal approval of the transformation [illegible] IMI into a [illegible] per Azioni being given, [illegible] the [illegible] the Trustee, by each of the following (to [illegible] same [illegible] not [illegible] given prior to the meeting [illegible] Noteholders):–
(a) the [illegible] of [illegible] of IMI;
(b) the [illegible] IMI at a general meeting;
(c) [illegible] of [illegible] Treasury of Italy; [illegible]

(n) the [illegible] of the Terms and Conditions of the Notes is [illegible] upon the execution by IMI [illegible] the Deed Poll in the form of the draft produced to this meeting, subject to such amendments as the Trustee may agree and for the [illegible] identification [illegible] the Chairman."

Copies [illegible] Trust [illegible] (including [illegible] Terms and [illegible] the Notes), the [illegible]pplemental [illegible] Deed [illegible] the [illegible] Poll [illegible] in the Extraordinary [illegible] set out [illegible] will [illegible] for inspection [illegible] specified [illegible] Paying Agents [illegible]

In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed modification but has [illegible] it [illegible] that it [illegible] no objection [illegible] the Extraordinary Resolution being [illegible] to [illegible] Noteholders [illegible] their consideration.

The quorum required at the Meeting is two or more persons present in person holding Notes or voting certi[illegible] or being proxies whatever the principal amount of the Notes so held or represented. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast. If passed, the Extraordi[illegible] will [illegible] binding on all [illegible] Noteholders, whethe[illegible] not present [illegible] voting, [illegible] upon all the holders of the coupons relating to the Notes. The method of voting or giving voting instructions is contained in the [illegible] of [illegible] July, 1991 [illegible] to [illegible]

Principal Paying Agent
The Long-Term Credit Bank of Japan, Limited
2-4 [illegible]
Chiyoda-ku
Tokyo 100
Japan

Paying Agents
Morgan Guaranty Trust Company of New York
Avenue des Arts 35
B-1040 Brussels
Belgium

Banque Internationale à Luxembourg S.A.
2 [illegible] Royal
L-2953 Luxembourg

IMI Bank (International) — [illegible] September, 1991

THIS NOTICE IS IMPORTANT AND REQUIRES [illegible] IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, [illegible] SHOULD CONSULT YOUR PROFESSIONAL ADVISER.

INTERNATIONAL COMPANIES AND FINANCE

Occidental to sell stake in IBP as part of debt cuts

By Martin Dickson

OCCIDENTAL Petroleum, the California energy company, plans [illegible] sell its 51 [illegible] stake in IBP, the largest beef and pork processor in the US, through a [illegible] rights [illegible] to Occidental shareholders.

The move is the latest by Occidental [illegible] cut [illegible] heavy debt load and rationalise [illegible] interests following the death [illegible] December [illegible] Dr Armand Hammer, the chairman [illegible] built the business into a [illegible]ing US corpora[illegible]

Dr Hammer bought IBP [illegible] of the [illegible] and sold a [illegible] public for [illegible] in [illegible]

However, [illegible] IBP's [illegible] profitability – [illegible] made $50m last year on $10bn of [illegible] – he was reluctant [illegible] dispose [illegible] the remainder.

This was possibly because the subsidiary's h[illegible] allowed Occidental [illegible] numbered [illegible] the top 20 US [illegible], ranked by [illegible]

Mr Ray Irani, Dr Hammer's successor, put the IBP stake up for sale months ago but failed to get a sufficiently attractive bid from a single purchaser.

Mr Irani said the proceeds of the rights offer, net of taxes and expenses, together with the resulting deconsolidation of IBP's [illegible] of long-term debt, would allow Occidental to [illegible] its [illegible] by $760m.

This, together with the group's other [illegible] disposals since the beginning of the year, means that in the first nine months of [illegible] two-year restructuring programme Occidental would have [illegible] 85 per cent of its $3bn debt reduction goal.

The rights [illegible] underwritten by [illegible] and Donaldson, Lufkin [illegible] Jenrette, [illegible] the [illegible] ers of [illegible] IBP [illegible] at [illegible]

Procter apologises for inquiry into leaks

By Martin Dickson in [illegible] York

EMBARRASSMENT and apologises are not [illegible] normally associated with [illegible] & Gamble, [illegible] giant US consumer products [illegible] with a reputation for caution and [illegible] But both have been [illegible] this week following an investigation into [illegible] information [illegible] the company. The probe has turned into a public relations [illegible] and set [illegible] row about [illegible] freedom.

Mr Edwin Artzt, P&G's chairman, admitted in [illegible] employees [illegible] that his attempts to [illegible] had [illegible] disseminating information to [illegible] had "created [illegible] problem larger than [illegible] we [illegible] trying to solve".

The [illegible] began [illegible] June [illegible] police in Cincinnati, Ohio, [illegible] company has its headquarters, to investigate leaks to Ms Alecia Swasy, [illegible] Pittsburgh-based [illegible]respondent [illegible] The [illegible]

The authorities obtained subpoenas [illegible] local telephone [illegible], [illegible] Bell, [illegible] of all telephone calls to [illegible] office, [illegible] home phones of [illegible] Swasy.

P&G invoked [illegible] it illegal for an employer [illegible] business [illegible] to [illegible] company".

The move provoked outcry [illegible] journ[illegible] organisations, [illegible] abusing [illegible] constitution's guarantees of [illegible] freedom [illegible] setting a sinister example which other companies might follow.

The attacks intensified when it emerged that the police officer who headed the investigation also drew a second salary as a part-time member of P&G's [illegible] security staff.

[illegible] a letter [illegible] week, Mr [illegible] admitted that the [illegible] had [illegible] "an error of judgment. We thought we were doing the right thing, because we had a clear legal right to seek the assistance of the authorities to investigate potential damaging leaks of confidential company information," he maintained.

However, the result had been public controversy and "reactions in the press that reflected negatively on the company". He regretted "the embarrass[illegible] that our [illegible] have [illegible] to share in [illegible]".

Mr Artzt also gave details [illegible] the leaks – which [illegible] not to have been traced. He said [illegible] included "very [illegible]tial business information, such [illegible] our capital spending figures".

Salomon downgraded by S&P

By Patrick Harverson in New [illegible]

[illegible] & Poor's, [illegible] rating [illegible], yesterday fol[illegible] footsteps [illegible] Moody's Investors [illegible] by downgrading Salomon Brothers [illegible] damag[illegible] the auction-rigging [illegible] having [illegible] Wall [illegible] position.

The [illegible] rating of [illegible] and subordinated [illegible] preferred [illegible] Inc, the par[illegible]

Unlike Moody's, however, [illegible] not change [illegible] rating [illegible] firm's commercial [illegible] Salomon [illegible] enough liquidity [illegible] maturing obligations until [illegible]mal short-term funding operations are resumed [illegible] confidence in the firm was [illegible]

[illegible] also expressed confidence in [illegible] fundamental soundness of [illegible] operations, and [illegible] it did not [illegible] the [illegible] from litigation and government [illegible] damage seriously [illegible] firm's financial health.

So far, the effects of the downgradings have been minimal, although Salomon has [illegible] short-term financings has [illegible] slightly. This [illegible] primarily because a number [illegible] big [illegible] had [illegible] investing in [illegible] firm's commercial [illegible] after [illegible] was [illegible] investment [illegible] Moody's.

The number of [illegible] against Salomon continued to [illegible] up yesterday. In [illegible] filing with [illegible] Securities [illegible] Exchange Commission, Salomon [illegible] that [illegible] additional shareholder suits [illegible] been launched, including one [illegible] seeking damages [illegible] least $500m.

Although precise figures [illegible] not available, it is [illegible] well [illegible] have been filed against Salomon since the scandal broke in August.

Inmos granted rights to IBM chip

By Michael Skapinker

INMOS, the UK-based semi[illegible] manufacturer, has [illegible] exclusive rights [illegible] manufacture and [illegible] IBM's new chips [illegible] generating per[illegible] computer graphics.

Inmos, owned by SGS-Thomson, [illegible] Italian-French semiconductor group, will not [illegible] the chips [illegible] IBM, which will make its [illegible] advanced graphics products.

Instead, Inmos will sell sets of chips, [illegible] graphics [illegible] to other [illegible] part of IBM's drive [illegible] establish the product as the worldwide standard [illegible] personal computers.

IBM's [illegible] with Inmos [illegible] one of several collaborative [illegible] the US computer maker has set up recently. [illegible] has [illegible] struck [illegible] with Apple Computer, of the US, and with Siemens, the [illegible] electronics group.

Inmos is a supplier to IBM of video graphics array (VGA) chip sets, an earlier technology. The XGA chips are faster, contain more colours, and can be more easily used with software which allows users to select options from a series of on-screen windows.

IBM did not exclude the possibility that it might buy XGA chips from Inmos, but made clear the UK-based company's role was to ensure other manufacturers used the technology.

"Simply stated, we want to have XGA as the graphics standard for the PC industry," Mr Al Testani, an IBM divisional director, said yesterday.

Inmos will start selling IBM-manufactured XGA chip sets immediately and will begin manufacturing chips carrying its own name within the next few months.

The chip sets marketed by Inmos will contain two chips, one of which will be made at the Inmos plant in Newport, south Wales, and the other at SGS-Thomson's factory in Carrollton, Texas. The sets will be tested at SGS-Thomson's facility in Malta.

Inmos will retain exclusive manufacturing and marketing rights to the XGA chips for 18 months. For a further 18 months, SGS-Thomson would have the right to make an XGA product equivalent to any that IBM may develop with another [illegible]

Banco Central disappoints

[illegible] Central, the Spanish commercial bank, lifted pre-tax profits [illegible] half [illegible] year by 2.2 [illegible] ($261.1m), [illegible] Tom Burns in Madrid. [illegible] operating profits [illegible] Pta36.3bn, [illegible] 19.2 [illegible] drop [illegible] 1990 figure.

The disappointing figures [illegible] Central [illegible] Hispano Americano, a smaller commercial bank, [illegible] on [illegible] a merger.

Western Mining slips to A$361m

By Mark Westfield in Sydney

WESTERN Mining, the Australian [illegible] which [illegible] embroiled [illegible] Australian Consolidated Minerals, yesterday announced [illegible] 14 [illegible] fall in net equity profit, to [illegible] (US$285m) for [illegible] to [illegible] June.

The earnings [illegible] was [illegible] mainly to the [illegible] slide, [illegible] A$278.4m, in the [illegible]tribution from [illegible] Australia, [illegible] aluminium producer. [illegible]ern [illegible] 48 [illegible] of [illegible]

[illegible] Mining's consoli[illegible] profit, excluding equity associates, dropped [illegible] from sales 11.6 per [illegible] up [illegible] A$1.54bn. Group earnings [illegible] fell 20.7 per cent to A$294.6m from the previous year's A$371.6m.

Pre-tax profit from Western Mining's Kambalda nickel mine fell [illegible] to A$105m, but gold earnings were up [illegible] from A$64.6m last year.

Most Australian gold producers had boosted output dramatically in the months before January when gold earnings became taxable.

Mr Hugh Morgan, managing director, said that Western faced a tough year because of lower prices and decreased production. The outlook for the rest of the year "is not as good as the previous year on current conditions", he said.

[illegible] said the group's balance [illegible] continued to be strong, with shareholders' funds [illegible] nearly [illegible] Cash [illegible] and borrowings, which are mainly [illegible] and related to the group's huge Olympic Dam uranium and gold mine, largely offset each other, leaving the company effectively debt-free.

The board set a final dividend of 11 cents, taking the full-year pay-out to 24 cents, fully-franked, compared with 30 cents last year.

Western Mining, in conjunction with the Normandy Poseidon group, is bidding for ACM at A$1.11 a share, valuing the target at A$266m.

Royal Bank of Canada advances to C$261m

By Bernard Simon in Toronto

ROYAL Bank [illegible] Canada, the country's biggest [illegible] institution, benefited from a surge in international income, including higher interest pay[illegible] by Brazil, to boost [illegible]ings by 13 [illegible] cent [illegible] the [illegible] quarter.

Net earnings [illegible] C$261m (US$229m), or 77 [illegible] a [illegible] in the three months [illegible] July 31, from [illegible] or 70 cents, a [illegible] earlier. While income from domestic business slumped by a third to C$113m, [illegible] contribution of international operations almost trebled [illegible] C$148m.

Return on equity [illegible] unchanged [illegible] 16.1 [illegible] cent, while return [illegible] 0.8 per [illegible] from 0.74 [illegible]

The recession in Canada has forced Royal to raise its loan-loss provisions to C$155m from C$100m a year earlier.

The latest figure is net of a C$100m reversal of Third World loan-loss [illegible] take [illegible] of repayments [illegible] of Third World loans so far this year at a price above their book value.

The bank [illegible] economic [illegible] in Canada [illegible] likely to be "[illegible] and uneven", with many [illegible] remaining in difficulty. Non-performing [illegible] July 31, [illegible] small drop from the previous quarter.

Assets stood at C$130.2bn on July 31, 5 per cent higher than a year earlier, but 1 per cent down on the level at the end of the previous quarter.

Royal also said that it was strengthening its capital with a US$200m issue of preferred shares. The issue will boost its capital ratio to 9.3 per cent.

● Falling interest rates lifted earnings of the Bank of Nova Scotia to a new record in the latest quarter, despite a doubling of loan loss provisions.

Net earnings rose to C$164.6m, or 73 cents a share, in the three months to July 31 from C$120.4m, or 53 cents, a year earlier. Net interest income jumped by 36 per cent to C$656.8m.

Bad-debt provisions jumped to C$105m from C$57.5m, but the bank reported that its portfolio of non-performing loans, at C$1.47bn on July 31, was slightly lower than it had been three months earlier. It expects to set aside C$370m to cover loan losses for the year, up from an estimated C$330m.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool purchase price £/MWh	Final Prices for Trading on [illegible]: Pool selling price £/MWh
0030	18.07	18.83	18.83
0100	13.25	16.50	16.50
0130	13.25	16.50	16.50
0200	13.25	16.50	16.50
0230	13.25	16.50	16.50
0300	13.25	16.50	16.50
0330	13.26	16.49	16.49
0400	18.19	16.49	16.49
0430	18.19	16.49	16.49
0500	18.19	16.50	16.50
0530	18.19	15.50	15.50
0600	18.19	16.50	15.50
0630	16.32	16.62	16.62
0700	18.25	17.81	[illegible]
0730	19.60	17.69	[illegible]
0800	22.78	16.99	[illegible]
0830	23.52	18.63	[illegible]
0900	26.14	18.63	[illegible]
0930	27.30	20.94	[illegible]
1000	27.87	20.94	[illegible]
1030	27.94	20.94	[illegible]
1100	28.44	20.94	[illegible]
1130	30.07	20.94	[illegible]
1200	31.97	20.94	[illegible]
1230	30.68	23.19	[illegible]
1300	27.63	23.19	[illegible]
1330	26.02	23.19	[illegible]
1400	24.26	20.94	[illegible]
1430	23.23	18.63	[illegible]
1500	23.13	18.63	[illegible]
1530	23.09	18.63	[illegible]
1600	27.09	18.63	[illegible]
1630	27.13	20.94	[illegible]
1700	27.14	20.94	[illegible]
1730	23.79	20.94	[illegible]
1800	27.04	20.94	[illegible]
1830	27.00	21.50	[illegible]
1900	24.00	21.60	[illegible]
1930	26.50	20.94	[illegible]
2000	26.51	21.50	[illegible]
2030	26.51	21.55	[illegible]
2100	25.65	21.55	[illegible]
2130	25.64	21.55	[illegible]
2200	25.60	21.55	[illegible]
2230	19.28	20.64	[illegible]
2300	18.86	18.99	[illegible]
2330	18.64	18.95	[illegible]
2400	18.17	18.94	19.25

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.88/MWh becomes 1.688p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

ANNUAL INVESTOR STATEMENT
Dated [illegible] of August 16, 1991

CHRYSLER CREDIT CORPORATION

CARCO DEALRs[SM] WHOLESALE TRUST 1990-A

Annual Investor [illegible] of August 16, 1991, [illegible] one [illegible] period commencing August 1, 1990 and ending [illegible] August 12, 1991 [illegible] "Annual Period") as provided by Chrysler Credit Corporation, as Servicer.

The following [illegible] is provided by Chrysler [illegible] Corporation, as [illegible] (the "Servicer") pursuant to Section 5.02 [illegible] the Pooling [illegible] Servicing Agreement [illegible] of August 1, 1990 [illegible] Chrysler [illegible] Company, as [illegible] the Servicer and The Fuji [illegible] and Trust Company, [illegible] trustee (the "Pooling and Servicing Agreement").

Total Principal Receivables balance [illegible] August 12, 1991 amounted [illegible] U.S. $790,049,051.49. Such aggregate balance [illegible] allocated among [illegible] various ownership interests [illegible] follows:

Investor Amount	U.S. [illegible]
Base Subordinated [illegible] Amount	U.S. $ 51,705,000.00
Incremental Subordinated Amount	U.S. $ 106,492.97
Senior Seller Amount	U.S. $ [illegible]
Excess Senior Amount	U.S. $ 36,237,558.52
Existing credit enhancement currently [illegible] and [illegible] comprised of [illegible] following:	U.S. [illegible] 87,455,000.00
Spread Account Balance	U.S. $ [illegible]
- Net Increase (Decrease) in Spread Account Balance for [illegible] current Annual Period	U.S. $ 2,600,000.00
- Percentage of Spread Amount Cap	100.00%
[illegible] Subordinated Seller Amount	U.S. $ 51,705,000.00
- Net Increase (Decrease) in Base Subordinated Seller Amount for the current Annual Period	U.S. $ -0-
- Percentage of Initial Base Subordinated Seller Amount	[illegible]
Available Letter of Credit Amount	U.S. $ 32,500,000.00
- Net Increase (Decrease) in Available Letter of Credit Amount for the [illegible] Annual Period	U.S. $ -0-
- Percentage of Stated Letter [illegible] Credit Amount	[illegible]

Available Funds exceeded Required Monthly Coverage in 12 out of [illegible] 12 months of the [illegible] Annual Period.

Amount withdrawn from the Spread Amount:	U.S. $ -0-
Amount of Available Subordinated Funds drawn:	U.S. $ -0-
Amount of draw under [illegible] Letter of Credit:	U.S. $ -0-

As of the date of [illegible] Annual Investor Statement no Amortization Event [illegible] deemed [illegible] have occurred.

Capitalized [illegible] used but not defined herein have the meanings ascribed thereto in [illegible] Pooling [illegible] Servicing Agreement.

By: **Chrysler Credit Corporation,** [illegible] *Servicer*

Carrefour

SALES (sales taxes included) AS [illegible] AUGUST 31, [illegible]

	August 1991 (in [illegible] millions)	% change August 91/ August 90	First eight months of 1991 (in FF millions)	% change Jan-Aug 91/ Jan-Aug 90
Group [illegible]*	10,438	+ 50.9 %	66,551	+ 27.1 %
France	7,321	+ 57.2 %	45,246	+ 25.1 %

* Including the sales of the Montlaur and Euromarché groups, acquired in March and June 1991, respectively.

Excluding the sales of Montlaur and Euromarché, [illegible] of Carrefour [illegible] in August 1991 increased by 7.2 % over the August 1990 level, and by 9 % during [illegible] first eight months of the year. Total Group sales in August 1991 increased by 17.2 % over the August 1990 level, and by 1[illegible] % during the first eight months of the year.

Carrefour [illegible] month
On August 27, 1991, Carrefour Brazil opened its twenty-third store, in Barueri, near Sao Paulo.

To Holders of the Notes and/or Warrants in caption

Yamazen Co., Ltd.
(the "Company")

U.S. $100,000,000
[illegible] per cent. Guaranteed Notes 1993
with [illegible] to [illegible] for shares [illegible] common stock of the Company

Notice [illegible] hereby given that [illegible] Company's [illegible] name changed from Yamazen Co., Ltd. [illegible] Corporation [illegible] from 27th June, 1991.

There will be no stamping or exchange of the Notes and Warrants due to the change of the trade name, and the Company will keep its engagement regarding the payment of the principal of and interest on [illegible] delivering Shares issued upon exercise [illegible] Warrants.

[illegible] and [illegible] listed on [illegible] Luxembourg [illegible] Exchange under their former [illegible] by the indication [illegible] the new one.

[illegible] September, 1991

The Daiwa Bank, Limited
on [illegible]
[illegible] CORPORATION

National and Provincial Building Society
Japanese Yen 10,000,000,000
Floating Rate Notes due 1995
For [illegible] six months
6th September, 1991 [illegible] March, 1992

In accordance with the provisions [illegible] Notes, notice is hereby given [illegible] the [illegible] of interest [illegible] been fixed [illegible] 6.95 per cent. [illegible] annum, and that the interest payable on [illegible] interest payment date, 6th March, 1992 against Coupon No. 7 will be Yen 3,456,011 per Yen 100,000,000 Note.

The Industrial Bank of Japan, Limited
Agent [illegible]

BARCLAYS

BARCLAYS OVERSEAS INVESTMENT COMPANY B.V.
U.S.$350,000,000
Guaranteed Floating Rate Notes due 2004

Notice is hereby given that the Rate of Interest for the Interest Period from 6th September 1991 to 6th March 1992, is 5 5/16 per cent. per annum and that on 6th March 1992 the amount of interest payable in respect of each U.S.$5,000 principal amount of the [illegible] will be U.S.$150.09.

Barclays [illegible] Zoete Wedd Limited
Agent Bank

WOOLWICH
- Building Society -

£100,000,000
Floating [illegible]
due [illegible]

Notice is hereby given that [illegible] will bear interest [illegible] per annum from [illegible] September, [illegible] to 4 December, [illegible] payable [illegible] 4 December, [illegible] per £10,000 [illegible] £2,645.47 per £100,000 [illegible]

Agent: Morgan Guaranty Trust Company

JPMorgan

BankAmerica Corporation
(Incorporated in the State of Delaware)

U.S.$400,000,000
Floating Rate Subordinated Capital Notes Due 1997

Holders of Notes of the above issue are hereby notified that for the next [illegible] Sub-period from [illegible] September, [illegible] to [illegible], 1991 the following will apply:
1. Interest Payment Date: 7th December, 1991.
2. Rate of Interest for Sub-period: 5 7/16% per annum.
3. Interest Amount payable for Sub-period: US$239.58 per US$50,000 nominal.
4. Accumulated Interest Amount payable: US$239.58 per US$50,000 nominal.
5. Next Interest Sub-period will be from 9th October, 1991 to 9th November, 1991.

Agent Bank
Bank of America International Limited

GROUPE SEB

CALOR . ROWENTA . SEB . TEFAL

CONSOLIDATED RESULTS OF FIRST HALF-YEAR

(in millions of FRF)	June 30, 1991	June 30, 1990
Net Sales	3,540	3,277
Operating Income	181	[illegible]
Net Income	54	41

Net sales for the first half of 1991, with an increase of 8 %, are in line with our forecast.

Earnings [illegible] a substantial [illegible] due to the activity [illegible] of [illegible]

Should the economic environment be the same in the coming months, the Group will be in the position to reach in 1991 [illegible] income [illegible] approximately FRF 300 million which is an increase of 30 %.

INTERNATIONAL CAPITAL MARKETS

Japanese issues fall from peak on profit-taking

By Sara Webb in London and Karen Zagor in New York

JAPANESE government bonds reached new highs in the cash and futures market on hopes of an easing in interest rates. However, the cash market fell back on position-closing and profit-taking to end slightly lower on the day.

Overnight unsecured call money rates slipped to 7 1/8 per cent from 7 3/16 per cent, but the market hopes to see a further easing in interest rates soon. Traders are waiting for the release today of the Bank of Japan's quarterly economic "Tankan" report. It is widely expected to show a slowdown in the Japanese economy, with a fall in capital investment and personal consumption.

GOVERNMENT BONDS

The market will also be watching today's US employment report to see whether the US Federal Reserve eases interest rates. A fall in US interest rates would put pressure on the Bank of Japan to lower its official discount rate.

The yield on the benchmark No 129 JGB reached 6.245 per cent, as the bond price hit its highest level since February. The yield closed at opening price of 6.275 per cent, slightly up on its opening of 6.265 per cent.

■ UK government bond prices rose yesterday, helped by the government's improved standing in the opinion polls and sterling's continued strength despite Wednesday's base rate cut.

Short and medium-dated gilts showed strong gains while long-dated gilts only edged up. The 10 per cent gilt due 1996 opened at 100¼ and traded up to 100 13/32, while the benchmark 11¾ per cent gilt due 2003/07 edged up from 112¾ to 112 [illegible].

Traders expect the Bank of England to announce either a gilt auction or tap issue shortly [illegible] part of [illegible] funding programme.

■ The French government bond auction yesterday was well-received, allowing the Treasury to sell a total of FFr6.73bn of bonds. However, government bond prices fell between ⅛ to ¼ of a percentage point during the day, following the US Treasury bond market.

The French Treasury sold FFr4.43bn of the 9.5 per cent OAT due 2001, at an average yield of 8.94 per cent, and FFr2.3bn of the 8.5 per cent bond due 2019 at an average yield of 9.03 per cent. The bid-to-cover ratios for both of the auctioned bonds were high, traders said.

On the Matif futures exchange, the September bond futures contract closed at 106.14, down 0.14 from [illegible] Wednesday [illegible] volume of 75,977.

Elsewhere, German government bonds slipped back, following the US Treasury bond market. Traders reported further switching out of German and French government bonds into Ecu bonds yesterday. The spread of the Ecu OAT due 2000 over the 9.5 per cent Jan 2001 French government bond has tightened this week from 13 basis points [illegible] Monday to 9 basis points yesterday.

■ US [illegible] on a soft note yesterday morning as the market awaited today's US employment figures.

The market's weak undertone was set by a statement from the Federal Reserve Board governor, Mr John Laware, who said the US economy "is in the early stages of a genuine recovery".

However, a number of players still believe that monetary policy will be eased if the employment [illegible] are extremely [illegible].

At mid-session, [illegible] sury's [illegible] bond was [illegible] at [illegible] yielding [illegible] per [illegible], while [illegible] were unchanged.

The Federal Reserve arranged four-day system repurchase agreements, in line with expectations at [illegible] the two-week [illegible] period. At mid-session, Fed Funds were trading [illegible] 5 [illegible] per [illegible].

The [illegible] only briefly to weak car sales figures for late August from Ford [illegible].

BENCHMARK GOVERNMENT BONDS

		[illegible]	Red Date	Price	Change	[illegible]	[illegible]	[illegible]
AUSTRALIA		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.91
BELGIUM		9.000	08/01	98.5000	[illegible]	[illegible]	9.25	9.42
CANADA *		[illegible]	[illegible]	[illegible]	[illegible]	9.67	9.62	9.75
DENMARK		[illegible]	[illegible]	[illegible]	[illegible]	9.20	9.23	[illegible]
FRANCE	BTAN	8.600	[illegible]	[illegible]	[illegible]	[illegible]	9.10	[illegible]
	OAT	9.500	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	9.14
GERMANY		[illegible]	08/01	[illegible]	[illegible]	8.45	8.41	[illegible]
ITALY		12.500	03/01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
JAPAN	No 119	[illegible]	[illegible]	[illegible]	[illegible]	6.55	6.60	[illegible]
	No 129	6.400	[illegible]	[illegible]	[illegible]	6.25	6.36	[illegible]
NETHERLANDS		[illegible]	[illegible]	[illegible]	[illegible]	8.77	[illegible]	[illegible]
SPAIN		11.900	[illegible]	[illegible]	[illegible]	[illegible]	11.67	[illegible]
UK GILTS		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		10.000	02/01	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	9.64	9.70	9.81
[illegible] *		[illegible]	08/01	[illegible]	[illegible]	7.83	7.78	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	8.06	8.01	[illegible]

London closing, *denotes New York morning session. Prices: US, UK in 32nds., others in decimal. Yields: Local market [illegible]. Technical Data/ATLAS Price Sources

Rise in equity-linked finance in Tokyo

EQUITY-linked finance raised by Japanese companies rose to Y1,060bn in August, up 14.3 per cent on July and the highest amount since December 1989, underwriting departments at Japanese securities houses announced yesterday, writes Emiko Terazono.

[illegible] the [illegible] of the bull market in [illegible], a total of Y2,230bn was in new equity-linked [illegible].

Overseas issues totalled [illegible] in August, [illegible] which dollar-denominated [illegible] bonds accounted for Y482.6bn. In the domestic market, a total of Y190.5 was raised in convertible bonds and Y100bn in warrant [illegible].

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 8:10 pm on September 5

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	[illegible]	105	-⅛	7.03
ALBERTA PROVINCE 9 3/8 95	600	[illegible]	104		7.72
AUSTRIA 8 1/2 00	400	[illegible]	[illegible]	-⅛	8.34
BANK OF TOKYO 8 3/8 96	100	[illegible]	[illegible]	-⅛	8.18
BELGIUM 9 5/8 98	250	[illegible]	[illegible]		8.33
BFCE 7 3/4 97	150	[illegible]	[illegible]		7.82
BNP 8 5/8 94	300	[illegible]	[illegible]	+⅛	7.29
BP CAPITAL 9 5/8 93	150	[illegible]	[illegible]		7.08
CANADA 9 96	1000	[illegible]	[illegible]		7.95
[illegible]	650	[illegible]	[illegible]	+⅛	8.95
[illegible]	300	[illegible]	105¼		7.46
[illegible]	100	[illegible]	101¼	-⅛	7.84
[illegible] 1/2 99	300	[illegible]	106¼		8.30
[illegible]	250	[illegible]	97¼	+⅛	8.36
[illegible]	150	[illegible]	103¼		7.18
[illegible]	150	[illegible]	102½	-⅛	7.75
EEC 7 1/4 93	250	[illegible]	101¼	+⅛	6.46
EIB 7 3/4 96	250	100¾	101¼		7.92
EIB 9 1/4 97	1000	105¼	105¾	-⅛	8.10
ELEC DE FRANCE 9 98	200	104¼	104¾	+⅛	8.09
EUROFIMA 9 1/4 96	100	103¼	103¾	-¼	8.37
EXPORT DEV CORP 9 1/2 98	150	106¼	106¾	+⅛	8.21
FINLAND 7 7/8 97	200	99½	100	+⅛	7.98
FINNISH EXPORT 9 3/8 95	200	105	105½		7.80
FORD MOTOR CREDIT 9 1/2 93	300	103¼	103¾		7.77
GEN ELEC CAPITAL 9 3/8 96	300	105¼	105¾		7.99
GMAC 9 1/8 96	200	103	103½		8.25
HALIFAX 9 1/2 93	200	103½	104		7.24
IBM WORLD TRADE 7 5/8 93	150	101¼	101¾		6.91
IND BK JAPAN FIN 7 7/8 97	200	98¼	98¾		8.26
INTER AMER DEV 7 5/8 96	200	99¼	99¾	-⅛	7.81
ITALY 8 1/2 94	1500	103¼	103¾		7.25
JAPAN DEV BK 8 94	150	102	102½		7.14
KANSAI ELEC PWR 10 98	350	107	107½	-⅛	8.58
LTCB 8 3/8 93	150	101¾	102¼		7.22
NEW ZEALAND 8 93	100	101¼	101¾	-⅛	7.12
NIPPON CRED BK 9 3/4 93	150	104¼	104¾		7.54
NIPPON TEL & TEL 9 3/8 95	200	104¾	105¼		7.70
NORDIC INV BANK 9 93	200	103½	103¾		6.87
ONTARIO HYDRO 11 5/8 94	200	108¼	109¼		7.45
OSTER KONTROLLBANK 8 1/8 93	200	102	102½		6.67
PETRO-CANADA 7 1/4 96	200	97¼	98¼	+⅛	7.83
PRUDENTIAL RLTY SECS 0 99	365.236	53¼	54¼	+¼	8.83
QUEBEC HYDRO 9 3/4 98	150	105¼	106¼	-⅛	8.60

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
BAYERISCHE VEREINSBK 7 3/4 94 LFr	600	94	95		9.46
KREDIETBANK 7 93 LFr	1000	95¼	96¼		9.56
WORLD BANK 8 3/4 96 LFr	1000	96¼	97¼		9.14
RABOBANK 5 3/4 93 Fl	150	94¼	95¼		9.85
UNILEVER 9 00 Fl	500	102	102½		8.66
BCE INC 9 5/8 93 C$	300	99¾	100¼		9.64

[illegible]

Ex-Drexel head for County NatWest

By [illegible] Waters

THE FORMER head of equities at [illegible] Burnham Lambert has been appointed to run the equities business of County NatWest, the investment banking arm of the UK clearer.

The move marks the latest in a series of senior management changes at County, which has been through a turbulent four years since the 1987 stock market crash. It has been threatened with closure if it cannot return to sustained profitability in the near future, though its performance this year has been on target.

Mr Arthur Kirsch, who takes over as managing director of County NatWest Securities from Mr Tim Ferguson, took 60 Drexel staff to County after the US securities firm closed in early 1990. He will remain president of County's US equity operations.

The departure of Mr Ferguson after two years completes another round of senior management changes at County, leaving it [illegible] third revamped top management team since the equity business was created during the UK's Big Bang reforms five years ago.

Mr Ferguson was said by County to have left "for personal reasons" and could not be contacted yesterday. He had done much to bring County's cost base under control in the past two years and rebuild its flagging reputation in UK equity research. However, the firm's revenues remain too low, and Mr Kirsch hinted yesterday that more should have been done to get different parts of the [illegible] to [illegible] together.

Mr Kirsch, a former top-rated US beverage and tobacco analyst, said both US and UK equity businesses were performing well, and that his aim was to develop greater strengths in corporate finance on both sides of the Atlantic, where County has been weak in the past.

Simex seeks trading links with London

By Peter John

SIMEX, the Singapore futures exchange which last year saw a fall in turnover for the first time since it began trading in 1984, has been seeking links with leading London financial markets in an attempt to boost European interest.

A five-strong delegation headed by Mr Francis Yeo Teng Yang, chairman of the Singapore International Monetary Exchange, has been in discussions with the International Petroleum Exchange (IPE) and the London Financial Futures Exchange (Liffe) in the hope of developing a collaboration agreement.

Simex already has a relationship with the Chicago Mercantile Exchange, its partner in pioneering the world's first mutual offset trading system. As the first step to 24-hour trading, mutual offset allows a trade opened on one exchange to be closed on the other and be treated as a single transaction.

Mr Yeo would like a similar relationship with Liffe. He said nothing concrete had developed during the visit, but added: "Discussions are under way with the IPE on energy contracts. Liffe is not so firm but we have exchanged views to see where our common interests are."

Mr Peter Wildblood, the chief executive of the IPE, said yesterday: "We are exploring various avenues with Simex and we are hopeful that we will be able to develop various possibilities." Liffe had no comment at this stage.

The Simex delegation has also been making presentations in London, Frankfurt and Paris this [illegible] to [illegible] of more than 75 [illegible] institutions.

CME, CBOT in Budapest project accord

By [illegible]
in Chicago

THE Chicago [illegible] Exchange and [illegible] Board of Trade have signed an agreement with the US [illegible] to help develop the Budapest Commodities Exchange.

[illegible] phase project, which [illegible] begin [illegible] a feasibility study [illegible] introduce US equipment, technology [illegible] US companies [illegible] well positioned" to [illegible] part [illegible] project's later stages.

[illegible] study [illegible] supported by [illegible] $420,000 [illegible] Department's [illegible] Development Programme.

INTERNATIONAL CAPITAL MARKETS

Cautious tone is evident under weight of new paper

By Simon London

THERE [illegible] a more cautious tone in the international bond market yesterday as the market digested the weight of new paper launched over the past two days and investors waited for release [illegible] important employment data in the [illegible] today.

Compagnie Bancaire, [illegible] French [illegible] financial institution, came with a $250m four-year deal [illegible] managed by Paribas Capital [illegible]

The deal carries a 7¾ per cent coupon and was priced to yield 61 basis points over [illegible] Treasury securities.

Participants in the deal reported [illegible] and [illegible] yield spread had widened [illegible] 63.5 basis points by the close of trading. Syndicate [illegible] that the [illegible] had [illegible] heavily in the international bond market this [illegible] added to which the coupon was [illegible] high enough [illegible] much retail buying.

The [illegible] dollar [illegible] more supply, [illegible] Ford Motor Credit and Banque Indosuez launching three-year deals via Goldman Sachs.

The C$150m Ford deal [illegible] a higher 10¼ per [illegible] coupon and a yield spread of 95 basis points [illegible] Canadian government bonds.

The Banque Indosuez paper was priced to offer a yield spread of 49 basis points [illegible] government paper.

[illegible] said that the pricing of both [illegible] was competitive but fair. Syndicate managers [illegible] that both [illegible] should [illegible] retail buying over time, although yesterday [illegible] were much [illegible] brisk than for similar [illegible] earlier in the [illegible]

The European Investment [illegible] £150m [illegible] its outstanding [illegible] 10 per cent [illegible] maturing [illegible]

The fungible tranche [illegible] fully underwritten [illegible] Barclay's de [illegible] priced [illegible] yield 23 basis points over UK government [illegible] – [illegible] tightest yield spread on [illegible] new Eurosterling [illegible] April [illegible]

However, the outstanding paper in [illegible] was [illegible] at a yield spread of just 10 basis points.

There have been few equity warrant bond issues by Japanese companies in [illegible] past month but yesterday Arabian Oil, Japan's largest oil [illegible]ducer, offered [illegible] deal lead managed by Nikko Securities. The company produces [illegible] wholly in the Gulf and has, therefore, had mixed for[illegible] this [illegible]

Yesterday, [illegible] ing [illegible] Y5780, against a year's high of [illegible] and [illegible] low of [illegible] However, investors appeared [illegible] future prospects [illegible] encouraging and the deal [illegible] up [illegible] bid from [illegible] price of par.

[illegible] Pemex, [illegible] Mexican [illegible]-owned oil company, plans [illegible] make [illegible] bond issue, the longest dated Eurobond [illegible] by Latin American borrower.

Swiss Bank Corporation has been awarded the mandate for the deal, which will be priced to yield between 245 and 249 basis points over US Treasury bonds.

INTERNATIONAL BONDS

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US [illegible]						
Cie Bancaire(a)†	250	7¾	101.41	1995	1⅝/1.475	Paribas Cap.Mkts.
Arabian Oil(b)♦	200	4⅝	100	1995	2¼/1½	Nikko Secs.(Europe)
STERLING						
EIB(c)†	150	10	98.761	1997	-	BZW
CANADIAN DOLLARS						
Ford Motor Credit Co.(a)†	150	10¼	[illegible]	[illegible]	1⅞/1⅛	Goldman Sachs Int.
Banque [illegible]	125	[illegible]	101.525	1994	1⅞/1.15	Goldman Sachs Int.
ECUs						
SNCF(d)†	200	9⅜	101.85	2001	[illegible]	Credit Comm.de [illegible]
D-MARKS						
Trinkaus [illegible] Burkhardt(e)†	50	11	100	1994	-	[illegible]
SWISS FRANCS						
Nippon Bee Chemical(a)★★†	[illegible]	7½	100	1996	-	[illegible]

★★Private placement. §Convertible. ♦With equity warrants. ‡Floating rate note. †Final terms a) Non-callable. b) Issue has two $100m tranches in Europe and Asia. c) Fungible with existing £386.5m deal first [illegible] in 1988. d) Fungible with existing issue, due 12/3/2001, totalling Ecu340m; launched Feb.1991. e) Bonds may be redeemed, at the issuer's option, at par or in exchange for 44 shares in Thyssen AG plus 100 Marks per DM10,000 [illegible]

Banco Santander share issue in US

[illegible] SANTANDER, Spain's second largest banking group, has become [illegible] the first continental European banks to issue perpetual preference shares in the US market with a deal which could substantially cut the cost of raising core capital.

The $150m issue, lead man[illegible] by Merrill Lynch, was made through a Santander subsidiary [illegible] in Puerto Rico. However, [illegible] that the proceeds strengthen the [illegible] the [illegible] bank directly, [illegible] than being accounted for as [illegible] minority interest.

Moreover, [illegible] the issue was made through an [illegible] subsidiary the shares [illegible] sold to investors in jurisdictions [illegible] US. Merrill Lynch said that issuing via the [illegible] shore subsidiary also offered tax savings to the bank.

The issue of non-cumulative, irredeemable preference shares counts as Tier I or core capital under the Basle agreement on international bank capital adequacy. The only other Tier I instrument allowed under the agreement is common equity.

European securities regulation stalled

By Richard Waters

ATTEMPTS to standardise European securities regulation look once again to be stalled, meaning that the target deadline for new rules of January 1 1993 will now almost certainly be missed.

The European Commission had planned a meeting of representatives of member-states for next Wednesday to try to push forward discussion on the Investment Services Directive, which has been the subject of heated disagreement in recent months.

However, the meeting, scheduled to take place in Luxembourg, has been cancelled and no replacement has been arranged. According to one securities regulator, EC officials have been too busy on other matters to attend to a directive which, on recent showing, none of the member-states are eager to see adopted.

An EC official said yesterday that the timetable for the directive was now almost certain to slip. "It will be very difficult. A one-year implementation period for member-states would be very ambitious – even if the directive was adopted by the end of this year."

[illegible] Leon Brittan, [illegible] EC minister responsible for [illegible]petition and financial services, had set himself the ambitious task this spring of overcoming [illegible] the directive through a series of bilateral meetings with member-states. [illegible] he has [illegible] unable [illegible] overcome differences of opinion, particularly between [illegible] UK and France, over issues such as transparency of securities markets and whether trading should be centralised on regulated markets.

The EC official did not explain why the latest meeting on the directive has been cancelled, but added: "Another [illegible] will, we hope, be fixed soon."

Busy Liffe

THE London International Financial Futures Exchange had its second-busiest day ever on August [illegible], with 352,375 contracts traded

Tokyo margin regulator under fire

Emiko Terazono on calls for changes to share trading practices

JAPANESE investors' love of trading on margin is just [illegible] of the unusual [illegible] of the country's [illegible] market thrown into sharp [illegible] during [illegible] recent spate of financial scandals.

The practice [illegible] be [illegible]tablished elsewhere, for [illegible] in [illegible] York, but [illegible] US investors are not nearly so addicted [illegible] margin trading [illegible] those in Japan. It accounts for 19 per [illegible] of trading on the Tokyo Stock Exchange, and [illegible] almost half [illegible] trading by individuals.

Margin buying involves paying [illegible] percentage of the transaction value in [illegible] or placing securities as collateral and then borrowing the rest from a broker or a securities finance company. Margin selling [illegible] putting up collateral and then selling borrowed [illegible] in the hope that [illegible] market will fall.

[illegible] trading in Japan has [illegible] unique features – notably [illegible] financing [illegible] dominated by [illegible] little-understood hybrid [illegible] Japan [illegible] Finance (JSF), which is the sole independent institution, [illegible] brokers, empowered to give loans and lend securities to brokerages and investors for margin transactions.

[illegible] the US, by contrast, institutional [illegible] and [illegible]alised companies are [illegible] lend stock for margin transactions to earn commission and [illegible].

JSF is a private profit-making [illegible] but is charged [illegible] a public duty of [illegible] that margin trading goes smoothly. The Tokyo Stock Exchange (TSE) [illegible] officially empowered to raise margin collateral requirements on stocks it considers the [illegible] of [illegible]ulative trading. However, JSF, in [illegible] with the TSE, can also limit [illegible] lending [illegible] margin trading in volatile stocks with high margin positions, thus in effect restricting speculative activity.

JSF [illegible] up in 1955 by the [illegible] of Japan, [illegible] its senior [illegible] come from the central bank or the Ministry of Finance. JSF generated Y172.2bn in operating revenue for the year ended March 1991, mainly through the issue of loans for margin transactions and bond financing. The company employs 330.

Currently three stocks on the first section of the TSE are under stock lending limits set by JSF in agreement with the TSE. But [illegible] the [illegible] increase in speculative activity, [illegible] of [illegible] the TSE watch list of stocks of which price movements [illegible] thought speculative, has risen to 11 from five in late 1989, the peak of the bull market.

To [illegible] placed on [illegible] list, [illegible] stock price needs to fit criteria such [illegible] a price fluctuation exceeding 50 per cent of a stock's [illegible] limit for a few days.

Some investors argue that a commercial company should not have the power to restrict trading, and that JSF's regula[illegible] go against [illegible] operation of the market.

Mr Fumio Kimura, senior managing director of JSF, says that one of the major functions of JSF is to ensure that margin transactions are carried out smoothly. He says that although the company is an unique institution, it does not have a monopoly.

JSF accounts for 10 per cent of lending for margin buying transactions, and between 30 to 40 per cent for stock lending for margin selling. The broking houses account for the rest of the market.

JSF is quite open about its close ties with the Bank of Japan and the Ministry of Finance. Every president has been an ex-Bank of Japan official, and the company claims to work in close contact with the Ministry of Finance and the Tokyo Stock Exchange.

Some market participants argue that instead of controlling the quantity of stock lending, JSF should increase lending rates as demand increases. This way, it could use market forces to curb speculators. They also argue [illegible] more securities finance companies should be allowed to operate.

But Mr Kimura [illegible] that while loans on margin buying transactions can be controlled by fluctuating rates, lending stocks is a different matter. There is a limit to the availability of stock in any particular company – something officials at the TSE also point out.

"If there is a possibility of stock procurement difficulties in the near future, it is in our interest to prevent it," says Mr Kimura. Investors who sell a stock on margin will have to return the borrowed stock when the six-month margin period expires. A sharp rise in margin selling means that, at the end of six months, there will be a surge of buying and a possible shortage of stock.

At a time when the authorities are moving toward deregulating Japan's finan[illegible] markets and removing business monopolies, it might seem strange that reviews of JSF's role in the stock market are not on the agenda.

However, Mr Kimura contends that increasing competition by setting up new securities finance companies would only create confusion. "Stockholders who lend us the stocks do so because they trust us. They will not lend [illegible] to just anyone."

IASC proposes convertibl[illegible] ruling

By Simon London

UK COMPANIES which account for convertible bonds as near-equity would have to revise their balance [illegible] show new liabilities under new proposals made by the International Accounting Standards Committee.

The IASC's exposure draft on accounting for financial instruments suggests that convertible bond issues should be accounted for partly as debt and partly [illegible] equity – "split accounting".

At present, UK companies which have issued convertible capital bonds, ranging from Sainsbury and Tesco to Blue Circle Industries, often account for the proceeds [illegible] near-equity. They argue that the bonds will be converted into shares and [illegible] something close to equity risk [illegible] they are deeply subordinated.

Under the IASC proposal, they would be required to look at the [illegible] of raising straight [illegible] same maturity when the convertible bondwas launched and d[illegible]ide what portion [illegible] the proceedsof [illegible] convertible issueshould be included as a liability and [illegible] portion as near-equity.

[illegible] standards have no formal authority in the UK. However, the UK Accounting Standards Board is expected to publish [illegible] discussion paper on the subject of debt and equity in November.

The IASC exposure draft will increase [illegible] for the UK body to follow the route which argues that convertible bonds contain [illegible] a debt and an equity component.

However, bankers [illegible] that there were considerable practical difficulties in deciding how much [illegible] convertible issue should be considered debt and how much equity.

"It [illegible] difficult [illegible] verifiable values in practice to [illegible] and equity components," commented [illegible] banker.

The IASC exposure draft also suggests:

- Preference shares which are redeemable at the option of the holder should be accounted for as [illegible] rather than equity, [illegible] if [illegible] legal form of the shares is equity. Again, the UK Accounting Standards Board is working on its own draft standard [illegible]
- Securitised assets should not [illegible] removed from [illegible] balance sheet of a company where it is still exposed [illegible] "risks [illegible] rewards". These might include a residual risk of default on [illegible] mortgages which has not been fully passed on to the holders of mortgage-backed [illegible]
- Companies should only [illegible] allowed to offset financial risks where they have the legal right to offset those risks against each other in practice. Hence, financial risks on [illegible] exchange contracts undertaken with different [illegible] could not always be [illegible]

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

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	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thursday September 5 1991: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Wed Sep 4: Index No.	Tue Sep 3: Index No.	Mon Sep 2: Index No.	Year ago (approx): Index No.
1	CAPITAL GOODS (183)	874.81	+0.1	9.60	5.53	12.82	23.87	873.69	871.47	875.65	737.12
2	Building Materials (24)	1124.54	+0.6	7.99	5.52	15.96	32.33	1117.76	1112.26	1116.94	918.32
3	Contracting, Construction (31)	1180.79	+0.9	8.95	6.62	14.78	33.40	1170.00	1163.92	1173.73	1148.23
4	Electricals (11)	2497.10	+0.3	9.58	5.33	13.34	63.95	2490.28	2489.36	2496.68	2068.73
5	Electronics (24)	1820.27	-0.4	9.72	5.00	12.88	48.40	1827.06	1808.70	1812.58	1571.57
6	Engineering-Aerospace (8)	407.53	+0.2	16.77	6.15	7.15	12.11	406.67	409.91	409.53	423.03
7	Engineering-General (45)	499.52	+0.3	10.62	5.14	11.56	13.19	498.15	494.69	489.05	408.13
8	Metals and Metal Forming (8)	458.58	+0.7	14.43	7.70	8.42	17.15	455.48	459.30	462.95	416.56
9	Motors (12)	366.99	-0.3	8.10	6.95	15.71	12.70	367.92	364.72	364.94	300.06
10	Other Industrial Materials (20)	1663.18	-0.4	8.29	4.84	14.13	38.33	1669.06	1671.80	1695.01	1302.20
21	CONSUMER GROUP (188)	1585.67	+0.2	7.26	3.45	16.98	27.37	1582.87	1584.26	1587.58	1168.63
22	Brewers and Distillers (22)	1949.98	+0.4	7.88	3.43	15.47	34.70	1941.66	1944.67	1945.88	1433.25
25	Food Manufacturing (19)	1236.69	....	9.23	4.01	13.39	24.86	1237.38	1237.25	1239.25	992.49
26	Food Retailing (17)	2746.97	[illegible]	7.81	3.03	16.73	44.38	2730.35	2688.26	2670.74	2363.39
27	Health and Household (22)	3758.25	+0.4	5.18	2.31	21.98	35.03	3744.83	3768.92	3802.79	2286.86
29	Hotels and Leisure (23)	1385.28	-0.5	8.59	5.03	14.02	37.19	1392.39	1393.29	1405.62	1196.95
30	Media (26)	1520.09	+0.1	7.26	4.67	17.96	41.56	1518.72	1522.21	1514.84	0.00
31	Packaging, Paper & Printing (18)	780.58	+0.1	7.24	4.22	16.76	16.35	779.46	780.84	780.34	514.76
34	Stores (32)	1030.49	-0.4	7.40	3.61	17.64	17.96	1034.29	1037.21	1037.47	770.66
35	Textiles (9)	627.72	+2.1	7.53	4.94	16.88	14.09	614.78	611.56	610.08	411.20
40	OTHER GROUPS (109)	1298.59	....	9.32	4.98	13.43	32.75	1299.19	1299.87	1304.42	1004.35
41	Business Services (12)	1432.82	+0.1	7.53	4.57	16.43	30.08	1430.86	1420.13	1418.26	0.00
42	Chemicals (21)	1492.91	-0.9	6.80	4.83	18.17	46.15	1506.49	1513.23	1520.52	1025.27
43	Conglomerates (10)	1515.32	+0.3	9.83	6.96	12.29	35.17	1510.08	1524.05	1535.35	1370.22
44	Transport (13)	2359.44	+0.2	7.64	4.54	16.22	62.68	2355.03	2345.28	2346.47	1916.56
45	Electricity (16)	1246.12	+0.6	14.07	5.22	9.10	27.53	1238.22	1231.67	1239.24	0.00
46	Telephone Networks (4)	1565.79	-0.2	9.43	3.88	13.88	28.34	1569.65	1574.89	1577.91	1121.62
47	Water (10)	2528.54	+1.0	16.18	6.09	6.84	118.37	2503.23	2461.92	2447.37	1870.56
48	Miscellaneous (23)	1931.28	-0.5	5.18	5.13	26.71	47.96	1940.19	1943.83	1958.56	1502.85
49	INDUSTRIAL GROUP (480)	1321.00	+0.1	8.38	4.34	14.80	28.74	1319.74	1319.88	1323.93	1016.98
51	Oil & Gas (20)	2479.74	-0.2	10.53	5.55	12.54	78.32	2484.98	2495.00	2501.69	2500.18
59	500 SHARE INDEX (500)	1420.58	....	8.64	4.49	14.48	32.69	1419.76	1420.60	1424.90	1137.35
61	FINANCIAL GROUP (92)	844.11	....	–	5.52	–	27.93	844.33	844.25	844.20	696.79
62	Banks (9)	987.40	+0.2	4.31	5.40	43.46	36.83	985.74	986.66	986.62	755.933
65	Insurance (Life) (7)	1616.70	-1.0	–	5.13	–	42.61	1632.53	1626.17	1629.31	1296.33
66	Insurance (Composite) (6)	677.38	+0.3	–	6.46	–	25.81	675.46	675.74	677.64	576.88
67	Insurance (Brokers) (9)	1132.23	-0.9	7.23	5.97	18.09	35.66	1142.23	1154.60	1165.61	834.15
68	Merchant Banks (7)	449.63	+0.1	–	4.66	–	12.16	449.02	449.34	448.37	381.57
69	Property (36)	950.93	....	6.02	4.90	22.88	22.40	950.64	948.82	943.27	925.46
70	Other Financial (18)	266.91	+0.4	10.77	6.79	11.63	8.67	265.75	264.10	262.50	255.55
71	Investment Trusts (69)	1260.00	+0.2	–	3.43	–	24.33	1257.97	1257.76	1253.97	1056.01
99	ALL-SHARE INDEX (661)	1280.53	....	–	4.60	–	31.08	1279.89	1280.51	1283.65	1031.06

	Index No	Day's Change	Day's High (a)	Day's Low (b)	Sep 4	Sep 3	Sep 2	Aug 30	Aug 29	Year ago
FT-SE 100 SHARE INDEX‡	2663.3	-1.3	2667.8	2659.3	2664.6	2669.0	2679.6	2645.7	2638.2	2120.9

FIXED INTEREST

	PRICE INDICES	Thu Sep 5	Day's change %	Wed Sep 4	Accrued Interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	122.58	+0.11	122.45	2.41	7.71
2	5-15 years (27)	134.13	+0.18	133.89	1.95	9.52
3	Over 15 years (9)	142.75	+0.14	142.55	2.40	8.42
4	Irredeemables (6)	157.12	+0.02	157.09	2.40	8.83
5	All stocks (70)	132.84	+0.15	132.64	2.19	8.90
	Index-Linked					
6	Up to 5 years (1)	163.47	+0.08	163.34	1.06	2.72
7	Over 5 years (10)	148.11	-0.03	148.16	0.63	3.15
[illegible]	All stocks (11)	149.13	-0.03	149.18	0.65	3.14
9	Debs & Loans (58)	112.50	+0.04	112.45	2.22	7.35

	AVERAGE GROSS REDEMPTION YIELDS		Thu Sep 5	Wed Sep 4	Year ago (approx.)
	British Government				
1	Low	5 years	8.69	8.72	10.96
2	Coupons	15 years	9.56	9.57	10.96
3	(0%-7¾%)	20 years	9.56	9.57	10.96
4	Medium	5 years	9.79	9.83	12.02
5	Coupons	15 years	9.72	9.74	11.53
6	(8%-10¾%)	20 years	9.70	9.71	11.38
7	High	5 years	9.97	10.02	12.12
8	Coupons	15 years	9.83	9.84	11.79
9	(11%-)	20 years	9.76	9.76	11.66
10	Irredeemables	†	9.77	9.77	11.06
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	3.76	3.79	4.76
12	Inflation rate 5%	Over 5 yrs.	4.23	4.22	4.31
13	Inflation rate 10%	Up to 5 yrs.	2.82	2.84	3.63
14	Inflation rate 10%	Over 5 yrs.	4.04	4.04	4.13
15	Debs &	5 years	11.52	11.52	14.12
16	Loans	15 years	11.29	11.28	13.04
17		25 years	11.11	11.11	12.82

‡Opening index 2662.2; 9 am 2661.2; 10 am 2663.7; 11 am 2659.7; Noon 2661.2; 1 pm 2663.2; 2 pm 2[illegible] pm 2664.9; 3 pm 2667.6; 4.10 [illegible]3.1; (a) 2.57pm (b) 10.52am † Flat yield. Highs and lows record, base dates, values and [illegible] changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES [illegible] INDICES SERVICE covers a range of el[illegible] paper-based products relating to these indices. These are available by subscription [illegible] FINSTAT, [illegible] House, 42-47 Minories, London EC3N 1DY. Tel: 071-702 0991.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	61	8	14
Corporations, Dominion and Foreign Bonds	8	0	[illegible]
Industrials	346	224	[illegible]
Financial and Properties	153	[illegible]	[illegible]
Oils	17	18	[illegible]
Plantations	0	0	[illegible]
Mines	30	24	[illegible]
Others	32	55	[illegible]
Totals	647	412	[illegible]

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
50	Nil	–	16pm	1¼pm	‡Applied Holographics 5p	1¼pm	-3¼
10	Nil	–	2pm	1½pm	Benson Group 2.5p	1½pm	
225	Nil	–	27pm	8pm	Capital & Counties	8pm	
31	Nil	–	9pm	4pm	Kleen-E-Ze	4pm	
25	Nil	–	3pm	¼pm	Mayflower Corp. 5p	¼pm	-¼
20	Nil	–	3pm	2pm	‡Pelican 20p	2pm	
39	Nil	–	9pm	4pm	Try Group 10p	9pm	+1

a Annualised dividend b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. r Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. § Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price	+ or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
25	F.P.	–	39½	29	‡Airbreak Leisure 5p	36		a1.75	1.8	6.5	9.3
†	F.P.	–	110	105	Capital Ventures 1p	110		–	–	–	–
–	F.P.	–	10	8	City of Oxford Wrrnts.	9		–	–	–	–
100	F.P.	–	100	93	County Smaller Cos.	96		M3.38	–	4.7	–
–	F.P.	–	29	20	Do. Warrants	29		–	–	–	–
4	F.P.	–	9½	4¼	Culver 1p	5½		–	–	–	–
–	F.P.	–	320	213	Eurotunnel '91 Wrnts.	255	-5	–	–	–	–
100	F.P.	–	110	105	Gartmore Scotland Inc.	109		M11.6	–	14.2	–
100	F.P.	–	98	85	Do. Capital	96		–	–	–	–
–	F.P.	–	£650	£605	Do. Units	£638	+3	–	–	–	–
146	F.P.	–	161	148	Irish Life Ir10p	160		H0102%	–	5.7	–
100	F.P.	–	107	101	Kleinwort High Inc. 5p	106		M7.5	–	9.4	–
§290	F.P.	–	323	297	Lowndes Lambert 5p	319	-1	L11.5	1.9	[illegible]	14.9
100	F.P.	–	105	101	Murray Split Income 10p	104		M10.58	–	13.6	–
100	F.P.	–	100	96	Murray Split Tst. Cap. 10p	96		–	–	–	–
–	F.P.	–	2550	2520	Do. Units	2550		–	–	–	–
††	F.P.	–	47	47	Scottish Value Trust	47		a1.8	0.8	5.1	34.6
50	F.P.	–	54	47	‡Simpsons of Cornhill 5p	47		–	–	–	14.6
1	F.P.	–	¼	½	‡Stanelco 1p	½		–	–	–	–
100	F.P.	–	105	100	US Smaller Cos.	105		–	–	–	–
100	F.P.	–	36	23	Do. Warrants	36		–	–	–	–

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
100	F.P.	-	100	98½	Camborne Inds. 10½pc Rd. Deb. 2001	98½	
100	F.P.	-	90	79½	Claybithe 9½pc Cnv. Ln. 2000-01	79½	
100p	F.P.	-	110½p	104¼p	Gartmore Scotland Zero Div Prf.	110½p	
100p	F.P.	-	109½p	102½p	Kleinwort High Income Zero Div Prf.	109½p	
102½p	F.P.		108p	103p	Murray Split Cap Tst Zero Div Prf 10p	108p	

TRADITIONAL OPTIONS

- First Dealings Aug. [illegible]
- [illegible] Dealings Sept. 6
- Last [illegible] [illegible] 21
- For [illegible] Dec. 2

[illegible] see end of *London* [illegible]

Calls in Barratt Devs., Burton, [illegible] Securities, Midland Bank, Mountleigh and Yorkshire TV.

LONDON TRADED OPTIONS

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Allied Lyons (*619)	600	40½	53½	69½	13½	24	29½
	650	13	30	44½	40½	47½	53½
	700	[illegible]	16½	[illegible]	83½	84½	86½
ASDA (*97)	90	10	13	16	2	4	5½
	100	4	8	10	6	8½	10½
	110	1¼	4	–	14½	15½	–
Brit. Airways (*188)	160	30	31½	36½	1½	3¼	6
	180	13	18½	23¼	4¼	8½	11½
	200	[illegible]	9	13½	15½	19½	21½
SmKl Beecham A ([illegible])	750	61½	83½	103	5½	15	20
	800	28	51½	72½	22½	[illegible]	38½
	850	9	29½	[illegible]	53½	57½	63½
[illegible] (*435)	390	50	56	66	1	4	6
	420	25½	34½	45	5½	11½	13½
	460	6	15	24½	26	32	33
B.P. (*348)	330	23½	31	34½	2¼	[illegible]	[illegible]
	360	6	13½	17½	13	18	21½
	390	1	5	–	42½	42½	–
British Steel (*128)	120	10½	12¼	15¼	2	4¼	5¼
	130	4¼	6¼	9¼	5½	9	10¼
	140	1½	3	6¼	13	16	17
Bass ([illegible])	[illegible]	[illegible]	–	–	18	–	–
	1000	–	[illegible]	[illegible]	–	51½	56½
	[illegible]	17	–	–	43½	–	–
[illegible] (*581)	500	[illegible]	[illegible]	–	1½	[illegible]	–
	550	41½	99	75½	6	14½	19
	600	14½	32½	47½	26½	36	39½
Courtaulds (*497)	420	81	89	102	½	2¼	5
	460	45	57	71	3½	9¼	12½
	500	18½	32½	47	17	23	25½
Com. Union (*520)	460	65	79½	–	1	3¼	–
	500	32	50	57	7	14	20½
	550	8	20½	30½	33	37½	42½
Fisons (*489)	460	36½	51	64	4½	11¼	15½
	500	13	27½	40	19½	27½	33
	550	2¼	10½	20½	62	62	64
GKN (*386)	330	59	69	74	1	3¼	7½
	360	34	46	52	4½	9	16½
	390	14	28	34	13	21	29½
Grand Met. (*843)	[illegible]	[illegible]	[illegible]	[illegible]	6	19	23½
	[illegible]	[illegible]	[illegible]	[illegible]	23	37½	44½
	900	8	27	42	56½	65½	69½
I.C.I. (*1349)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Kingfisher ([illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ladbroke ([illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secs ([illegible])	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M & S (*287)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sainsbury (*374)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans. (*530)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] (*120)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trafalgar (*251)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utd. Biscuits (*397)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Oct	Calls Jan	Calls Apr	Puts Oct	Puts Jan	Puts Apr
Unilever (*770)	750	37½	55½	72½	11	19½	22½
	800	11½	30	45½	35½	39½	41½
Ultramar ([illegible])	[illegible]	[illegible]	24	25	5	9½	15½
	280	5	13¼	17½	18	20	25½
Option		Nov	Feb	May	Nov	Feb	May
Brit. Aero (*547)	500	51½	–	–	6½	–	–
	550	22	37½	44½	27½	33½	42½
BAA (*452)	420	42½	52	62½	5	11	13½
	460	17	27	39	20	27	30
[illegible]	650	[illegible]	61½	71½	11½	16	22½
	700	14½	32	44½	35½	40	45½
BTR (*424)	420	17½	30	35	17	21½	27
	460	4¼	14	18½	46	48	49
Brit. Telecom ([illegible])	390	23	30½	38½	9	16	18
	420	7¼	15½	24½	25	31½	33½
Cadbury Sch ([illegible])	390	[illegible]	[illegible]	45½	13½	[illegible]	[illegible]
	[illegible]	[illegible]	27	31	32½	35½	40½
Eastern Elec (*190)	180	18	22½	26½	4	7	9
	200	9¼	11	16½	11½	16½	18½
Guinness (*1031)	1000	58½	84½	101	18½	[illegible]	[illegible]
	[illegible]	[illegible]	55½	73½	42	49½	61½
[illegible] (*201)	200	9	14	19	6	8½	10½
	220	3	5½	10	[illegible]	21	22
[illegible]	200	23	25	27	1½	5¼	7¼
	220	9½	12	16	7¼	14¼	16
LASMO (*317)	300	28½	39½	45	5	10½	13½
	330	10½	22½	28½	18½	24	28
Lucas Inds (*156)	140	20	21	24½	3	5½	7½
	160	6¼	9¼	13½	12½	15	16
P. & O. ([illegible])	550	40½	60½	[illegible]	10½	16½	24
	600	15½	32½	42½	34½	38½	46½
Pilkington (*169)	160	17	22	27	5¼	10	11½
	180	6½	11½	17	15½	[illegible]	[illegible]
Prudential ([illegible])	240	24½	32½	35½	[illegible]	6½	7½
	260	12	20	23½	[illegible]	12	14½
Racal (*233)	220	30½	39½	–	11½	17½	–
	240	19	32	–	20½	27½	–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls Sep	Calls Dec	Calls Mar	Puts Sep	Puts Dec	Puts Mar
[illegible]	[illegible]	[illegible]	[illegible]	70	5½	21½	32
	500	[illegible]	[illegible]	50	67½	73	–
Glaxo (*1367)	1350	[illegible]	81½	117	30½	[illegible]	65½
	1400	11½	58½	93½	63½	[illegible]	88½
Hawker Sidd. (*604)	550	58½	68½	85½	1½	9½	15½
	600	18	35½	54½	10	25½	29½
Hillsdown (*255)	240	16	23½	31	1½	[illegible]	9½
	260	4½	12½	–	8½	27½	–
Lonrho (*236)	220	19	27	30	1	4	9½
	240	4	14½	17½	6	11½	17½
Midland Bk (*254)	240	17	29	36	3	[illegible]	12½
	260	4¼	17½	25½	11½	18½	22
National Power (*158)	140	18	22½	24½	1¼	2¼	4½
	160	3¼	10	13	5	8	11½
Reuters (*906)	900	27½	66½	93½	21½	42½	56½
	950	9½	42½	69½	51½	68½	80
R. Royce (*138)	130	9¼	14	17¼	2½	[illegible]	9
	140	3¼	8½	12	6¼	10	14
[illegible] (*89)	80	[illegible]	12	13½	[illegible]	[illegible]	3
	[illegible]	[illegible]	8	3	5½	7	–
THF (*289)	[illegible]	12	19½	28½	[illegible]	8	11½
	300	2¼	9½	17½	11½	17½	20½
Thorn EMI (*811)	[illegible]	[illegible]	[illegible]	66	10	[illegible]	31½
	850	8	23	41½	40½	53½	56
TSB (*154)	140	14½	19½	21½	½	1½	4½
	160	1½	6¼	10	6	9	12
Vaal Reefs (*$61)	60	3	7½	10	2½	5¼	7¼
	70	½	3	6¼	8¼	11½	14
Wellcome (*733)	700	41½	64½	90½	6½	23½	31½
	750	12½	40½	64½	28	46½	53½
Option		[illegible]	Nov		Sep	Dec	
Scottish Power (*107)	100	7	11	–	1	2¼	–
	110	1½	5¼	–	4½	[illegible]	–

EURO FT-SE INDEX (*2643)

	2425	2475	2525	2575	2625	2675	2725	2775
CALLS								
Sep	254	205	157	112	[illegible]	36	15	8
Oct	276	229	183	139	[illegible]	64½	38½	20½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

September 5 Total Contracts [illegible]

UK COMPANY NEWS

Slow catering sales limit Booker advance to 5%

By Bronwen Maddox

BOOKER, the food distribution and agriculture group, was held to a 5 per cent rise in interim profits as the recession held back catering sales.

It has also announced its first acquisition on the Continent, with the purchase of 40 per cent of Jeronimo Martins, a Portuguese cash-and-carry business, for £13.6m.

Pre-tax profits to the end of June rose to £37.8m (£36.1m) on turnover of £1.56bn (£1.28bn).

Fitch Lovell, the food producer and distributor acquired last year for £302m in cash and shares, contributed little after finance charges.

Earnings fell to 13.01p (14.76p) because of shares issued for Fitch, but the interim dividend is raised to 7.5p (7.25p). Increased interest payable of £12m (£7.5m) reflected debt assumed to buy Fitch.

Despite tough trading conditions in food distribution overall the cash-and-carry operation and its other suppliers to catering improved sales. Food distribution trading profits [illegible] boosted to £18.3m (£12.9m), mainly by Fitch businesses.

Mr Jonathan Taylor, chief executive, [illegible] conditions had improved recently, but "it is three weeks of sunshine not a recovery."

Agribusiness profits fell 17 per cent to £10.9m (£13.2m) and health products slipped to £3.9m (£4.4m).

Disposals worth £51.2m in the first half brought the total to £125m since the Fitch deal. This reduced gearing at the half year to 95 per cent, from 111 per cent last December. First-half disposals yielded an extraordinary net profit of £15.1m.

Booker plans to cut jobs by 400 to 22,000 in the second half, after losing 900 in the first [illegible].

● COMMENT

Buying Fitch to get at two thirds of its businesses was never going [illegible] be [illegible]. Picking [illegible] of high [illegible] rates increased the pressure to make disposals and job cuts, though the debt load is no bad thing if it has accelerated Booker's overdue tidying up. The strategy seems right, if laborious. It should [illegible] Booker well placed as food distribution [illegible]. Immedi[illegible] Hillsdown and others share Booker's message that falling interest rates have not yet fed through to more demand for catering. Analysts yesterday trimmed their forecasts of full-year pre-tax profits from about £117m to £112m (£103m last year). But the potential for a 1992-93 bounce in profits still looks good, particularly if the company switches successfully from building market share to profits. Booker, along with other food stocks, has been left behind during the recent rally. While the shares may be dull ahead of the important Christmas season, with a 6 per cent prospective yield they are hardly expensive.

Lydia van der Meer

Jonathan Taylor: recent improvement in conditions

Treasury seeks clean bill of health from US banks in BT sale

[illegible] Roland Rudd and [illegible] Webb

THE TREASURY yesterday demanded [illegible] iron [illegible] from the three contenders for the position of US lead man[illegible] in the British Telecommu[illegible] sale that they have never been involved in any practice which could embar[illegible] the UK government.

Following the sacking of [illegible] Brothers, [illegible] it was disclosed that [illegible] had [illegible] recent US Treasury Bond issues, the UK Treasury yesterday began to put the three previous finalists, Goldman Sachs, Merrill Lynch and Morgan Stanley, through [illegible] due dili[illegible].

The Treasury's in-house [illegible] and [illegible] advisers to the sale, Linklaters and Paines, yesterday [illegible] written assurances from the three [illegible] that they [illegible] never partaken in any [illegible] could affect their ability to [illegible] the BT shares.

One government adviser said the banks are currently being put through "the toughest due diligence test ever".

All three are considered adequate replacements for Salomon Brothers. According [illegible] government advisers, the winner will be the bank which proves it [illegible] "whiter than white".

The UK government is not expected to make a decision until [illegible].

Although Goldman [illegible] has been regarded [illegible] the favourite [illegible] Salomon, government [illegible] said to be impressed by [illegible] fact that Mr William Schreyer, Merrill Lynch's chairman and chief executive, flew from [illegible] to conduct his company's negotiations personally.

According to government advisers Goldman [illegible] did [illegible] help itself by the late disclosure of its holding in Max[illegible] Communication Corporation (MCC), which represented [illegible] technical breach [illegible] UK Companies Act. Goldman said it regretted the omission.

The [illegible] concern of [illegible] UK Treasury is if it should [illegible] that [illegible] houses being [illegible] as US lead manager in the BT sale also participated in rigging the US Treasury bond market.

If [illegible] a result [illegible] the various investigations into Salomon's rigging of the [illegible] Treasury bond market it transpires that [illegible] involved in the scandal it would be very embarrassing for the UK Treasury.

The [illegible] BT [illegible] is [illegible] take place in November.

Courtaulds Textiles at £16.6m

By Michiyo Nakamoto

[illegible] REDUCTION [illegible] interest charges helped Courtaulds Textiles produce a [illegible] interim pre-tax profits despite [illegible] per [illegible] decline [illegible] operating level.

In [illegible] Mr Martin Taylor, [illegible] executive, [illegible] "the most difficult trading conditions for a decade in the UK textile and clothing markets", profits improved to [illegible] (£16.4m) in [illegible] six [illegible].

[illegible] tight [illegible] management combined with [illegible] positive effects [illegible] last year's substantial reduction [illegible] borrowings, brought [illegible] charges down [illegible] (£5.8m). "That has [illegible] skins [illegible] around," commented Mr Taylor.

Turnover fell [illegible] (£480.9m) while operating profits were down to £19.9m (£22m). The interim dividend [illegible] 4.2p (4p), payable [illegible] earnings per [illegible] up at 12.3p (11.9p).

Both the clothing and [illegible] businesses [illegible] a downturn in turnover and operating profits.

However, within [illegible] sales of lace continued strongly in international markets [illegible] in part [illegible] prevailing popularity and [illegible] part [illegible] group's [illegible] recent capital investment in the business.

In [illegible] spinning operations, [illegible] were trimmed by about [illegible] and [illegible] further [illegible] mills were closed between January and August [illegible] year.

By region, North [illegible] made the only increased contribution, with operating profits rising [illegible] (£5m).

The North American business had seen [illegible] marked improvement in [illegible] recently [illegible] UK [illegible] continental European markets remained weak.

● COMMENT

Since its demerger from Courtaulds, the textil[illegible] group has shown no small talent [illegible] management. Having slashed borrowings significantly [illegible] year, it has gone one step further in continuing [illegible] reduce interest charges by forging ahead with cost-cutting mea[illegible] including tight stock controls. Meanwhile it [illegible] steadily improving returns on capital by moving out of [illegible] profitable businesses. The upturn [illegible] Courtaulds, [illegible] it comes, may not be [illegible] pronounced as for other more vulnerable businesses, but, [illegible] other hand, the [illegible] has [illegible] reputation for responding quickly to changes in its environment. A p/e of 16, on full-year [illegible] forecast at £42m looks high, but for the resilience it has shown, the premium makes the [illegible] at least [illegible] strong hold.

Saatchi & Saatchi £4.2m in the red and warns on prospects

By Richard Gourlay

SAATCHI & SAATCHI, the troubled advertising group which will run the Conservative Party's forthcoming [illegible] tion campaign, yesterday reported a slide into losses after a fall in revenues in all its main markets.

The pre-tax profit of £13.6m turned into a loss of £4.2m in the six months to end-June on sales 4 per cent lower at £352.8m compared with £367.8m.

The decline was by and large expected, however the group's pessimism about prospects for advertising revenues caught analysts by surprise.

In spite of signs of recovery in the US economy, which accounts for over half of group revenues, Mr Maurice Saatchi, chairman, said that would not feed through into the service sector before the second half of 1992.

A number of analysts lowered their forecasts for 1991 pre-tax profits from about £12m to some £2.5m as a result of the company's gloomier-than-expected prognosis [illegible] vertising revenues and margins.

The loss included £14.6m of finance charges on debt that stood at £206m, down from £15.7m as a result of a fall in borrowings and lower interest rates.

The group expects debt to be broadly unchanged at the year-end.

Losses per ordinary share were 1.7p for the six months compared with losses of 3.7p in the six months to March 1990.

Mr Robert Louis-Dreyfus, chief executive, changed the group's year end to coincide with the calendar year to bring its budgeting process into line with that of its clients.

Again there will be no interim dividend.

The shares eased ½p to 15½p.

The group made [illegible] £60m provision against future rental lia[illegible] property surplus [illegible] requirement, for [illegible] of operations [illegible] for other provisions.

This [illegible] more [illegible] by the surplus [illegible] from [illegible] group's financial restructuring in April which involved [illegible] redemption of europreference [illegible] discount [illegible] value.

The result was an extraordinary gain of £40.8m.

At a trading level, profits fell from £28.5m to £10.6m. On the communications [illegible] profits halved to £6.6m in [illegible] US, while in [illegible] UK profits of £3.5m turned into losses of £900,000. In the rest of Europe profits were [illegible] per cent at [illegible].

As [illegible] the tax rate increased to above 100 per [illegible] of profits.

Provisions put Trevian into loss

[illegible] reducing the [illegible] of both trading and investment properties put Trevian Hold[illegible] £985,000, against profits of £2.07m, [illegible] to April [illegible] on turnover sharply [illegible] from £10.3m [illegible] £885,00[illegible].

The cost [illegible] sales, including provisions, took [illegible]. The final [illegible] 1p for a total [illegible] 1p (3.3p).

DIVIDENDS ANNOUNCED

Blue Circle Inds	int	[illegible]	Nov 28	3.75	-	11.25
Booker	int	7.5☆	Jan 2	[illegible]	-	[illegible]
Brit Dredging	int	2.6	[illegible]	[illegible]	-	7.4
BTR	int	7.5☆	[illegible] 28	7	-	15.75
Burford	int	0.45	Oct 11	0.4	-	0.85
Burmah Castrol	int	8.5☆	Jan 8	8.5	-	23
Brit-Borneo Pet	int	2.67†	Oct18	2.67*	-	7.1*
Calderburn	int	2.8	Oct 21	2.52	-	7.28
City & Comm IT	int	4.24	Sept 30	[illegible]	-	[illegible]
Cookson	int	3☆†	[illegible]	[illegible]	-	8
Courtaulds Text	int	4.2	Oct [illegible]	4	-	12.3
Daniels (S)	int	nil	-	1.25	-	1.25
Kingspan	int	1♣	[illegible] 7	1	-	[illegible]
Porvair §	int	1.1	Oct 18	1	-	3
Prov Financial	int	8.5☆†	Nov 7	8	-	23.5
Readymix	int	0.55♣	[illegible] 11	[illegible]	-	[illegible]
Reckitt & Colman	int	5.55☆	Jan 7	4.9	-	[illegible]
Reece	int	0.1	Nov 4	-	-	-
Richards Group	int	1.65	[illegible]	1.65	-	4.4
Sun Alliance	int	5.25☆	Dec 2	[illegible]	-	14
Trevian §	fin	1	Nov [illegible]	1.85	1	[illegible]
Vinten	int	1.8	Jan 2	1.7	-	[illegible]
Wilson Bowden	int	2.5†	Nov 6	2.4	-	[illegible]

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for [illegible]. †On capital [illegible] by rights [illegible] acquisition [illegible]. §USM [illegible] scrip option. ♣Irish [illegible]

Lower interest boosts Vinten

A FALL of £544,000 in interest charges [illegible] main reason behind [illegible] 9 per cent rise [illegible] £4.3m [illegible] in interim taxable profits at Vinten, a sup[illegible] of camera systems.

[illegible] Humphrey [illegible] chair[illegible], said that military [illegible] had [illegible] excellent six months with electro-optics performing well, but margins were under pressure in the broad[illegible] and Gruppo Manfrotto had been adversely affected by the weakness of the dollar.

Turnover [illegible] six [illegible] to end-June was £31.2m [illegible].

Earnings p[illegible] were [illegible] (9.8p) and the interim dividend is raised to 1.8p (1.7p).

UK COMPANY NEWS

Cookson tumbles 76% to £17m

By Roland Rudd

COOKSON, the industrial materials group, suffered a 76 per cent fall in pre-tax profits from £71.4m to £17m in the six months [illegible] June [illegible].

Mr Robert Malpas, [illegible]airman, [illegible] that against the background of recession and the effects [illegible] the Gulf war, together [illegible] last year's crisis, when the acquisition programme pushed gearing [illegible] per cent, the [illegible] were "commendable."

After restating [illegible] 1990 figures [illegible] exclude the tioxide and graphics businesses which were [illegible] in the second half, turnover fell by 16 per cent from £806.6m to [illegible]. Group operating profit [illegible] by 49 [illegible] from [illegible].

Interest charges dropped [illegible] £14m [illegible].

A [illegible] sharply reduced [illegible] year's debt [illegible] £635.4m to [illegible]. Shareholders' funds have increased from £417.9m [illegible] £514m.

Gearing, on a debt to equity basis, fell from 129 per [illegible] per cent.

Mr [illegible] said the strength of [illegible] balance [illegible] showed that it was no longer the "debt-ridden [illegible]" of last year.

Earnings per share, after adjusting for the [illegible] rights issue, [illegible] 0.9p (11.1p).

The company's [illegible] an upturn in the performance of [illegible] businesses, particularly in [illegible] US and [illegible] Far East, is reflected in the maintained interim dividend of 3p. This will [illegible] paid by taking [illegible] from reserves.

[illegible] rationalisation programme has lead [illegible] the loss of 2,000 jobs, [illegible] which half were in [illegible] UK. Mr Richard Oster, group managing director, said he did not expect another "massive reduction" in [illegible] workforce.

The group's ceramics business [illegible] were [illegible] affected by the recession. [illegible] plastics, the specialist businesses in America have performed better.

● COMMENT

Mr Malpas is right to claim that Cookson is no longer the "basket case" it was last year. But it is still not clear whether it should be viewed [illegible] a recovery stock. The decimation of its profits should be [illegible] against four encouraging signs: the unchanged dividend, [illegible] much stronger balance sheet, reduced fixed [illegible] and evidence of an upturn in the US. [illegible] significant profit increase – which would also help offset surplus advance corporation [illegible] of £2.8m – is unlikely until 1993. If operating margins are pushed up to about 10 per cent on expected [illegible] of £1.5bn, Cookson should [illegible] making profits of [illegible] £150m within two [illegible]. This would put [illegible] shares [illegible] a prospective multiple [illegible]. It loo[illegible] promising, but there are still a lot [illegible].

NEWS DIGEST

Calderburn falls £1.2m to £2.3m

CALDERBURN, the [illegible] furniture [illegible] formed by the [illegible] in July [illegible] Cooper Holdings [illegible] reported a fall, on a merged basis, from £3.52m to £2.3m in pre-tax profits for the half-year [illegible] 30.

Turnover declined 11 per [illegible] (£18.5m).

[illegible] were [illegible] dividend (2.52p).

McInerney Homes into receivership

McInerney [illegible] 49 per cent-owned [illegible] McInerney Properties, [illegible] requested Barclays, its main banker in the UK, [illegible] appoint a [illegible].

The action has been necessitated by the continuing recession in the housing market and little expectation of recovery in [illegible] future.

S Daniels reverts to the red

[illegible] from both its bakery ingredients business and its Irish offshoot led [illegible] Daniels, a supplier [illegible] food [illegible] drink products, in [illegible] half-year to end-June.

The lapse [illegible] red from last time's profit of £12,000 came on [illegible] ahead to £16.1m (£15.6m). The group incurred [illegible] £70,000 in [illegible] last full [illegible].

No interim dividend (1.25p) is [illegible].

Kingspan drops 12% to I£1.5m

Taxable profits [illegible] Kingspan Group, [illegible] USM-quoted [illegible] County [illegible] building [illegible] dropped [illegible] I£1.7m to I£1.5m (£1.36m), in [illegible] months [illegible] 30.

Turnover [illegible] to I£30.5m [illegible] and earnings slipped [illegible] 4.88p (5.72p) per share. The interim [illegible] unchanged [illegible] 1p.

Richards Group declines to £505,000

[illegible] Group, [illegible] specialist engineer, reported a 28 per cent contraction in interim profits.

The taxable outcome for the [illegible] months to June [illegible] – [illegible] – was [illegible] turnover down 37 per [illegible] (£10.7m) and after [illegible] charges reduced from £178,000 to £46,000.

A maintained interim dividend [illegible] is [illegible] from earnings of 4.48p [illegible].

Readymix tumbles 25% to I£1.76m

Readymix, the Dublin-based concrete and building materials group, suffered [illegible] 25 per cent decline in [illegible] profits in [illegible] first [illegible].

Profits fell [illegible] I£1.76m (£1.59m), against [illegible] time, [illegible] turnover [illegible] I£15.3m (I£15.2m).

Earnings were down [illegible] (5.23p) per [illegible] but [illegible] held [illegible] 0.55p.

Clarke Foods set to acquire Lyons Maid

By Clay Harris

CLARKE FOODS [illegible] set [illegible] become Britain's second largest ice-cream [illegible] through [illegible] acquisition of Lyons Maid from Allied-Lyons, the brewing and food group.

[illegible] deal, announced [illegible] principle yesterday, [illegible] Mr Henry Clarke's biggest step yet towards achieving his ambition of creating a worldwide ice-cream company [illegible] in Britain.

In February, [illegible] transformed Yelverton Investments, [illegible] USM-traded investment company, into Clarke Foods through the purchase of three ice-cream plants from Hillsdown Holdings.

With annual [illegible] £54m, three [illegible] existing turnover, Lyons Maid accounts for 15 per [illegible] of the UK ice-cream market and has [illegible] UK outlets.

The combined [illegible] will rank second [illegible] Bird's Eye Walls, [illegible] Unilever subsidiary.

Allied-Lyons will [illegible] kin-Robbins, [illegible] separately managed [illegible] subsidiary. Lyons Maid's brand [illegible] will be included in the sale [illegible] Clarke.

The purchase price [illegible] not announced, and Mr Clarke [illegible] decided how [illegible] deal would be financed. [illegible] additional equity was required, [illegible] ily intended [illegible] maintain [illegible] 33 per cent stake. Hillsdown [illegible] it supported the acquisition, but would not [illegible] drawn [illegible] whether it would maintain [illegible] per [illegible] shareholding.

Clarke shares were suspended at 54p pending completion of [illegible] deal, which [illegible] not expected until [illegible].

City & Commercial

Net [illegible] value per capital share of City [illegible] Commercial Investment Trust, administered by Invesco MIM, [illegible] £16.36p at July 30, against £13.26p a year earlier.

[illegible] revenue for the [illegible] months amounted [illegible] £1m [illegible] for [illegible] of 4.24p [illegible] per income [illegible]. There is a full distribution [illegible].

Wilson Bowden bucks sector trend with advance to £15.4m

By Andrew Taylor, Construction Correspondent

WILSON [illegible] is one of the few housebuilders which will report an increase in profits during the first half of this year.

Yesterday the group announced pre-tax profits ahead [illegible] £15.2m to £15.4m for the half year to the end of June.

Earnings [illegible] dipped slightly from 14.5p [illegible] 13.6p after allowing for dilution resulting from the [illegible] rights issue made earlier this [illegible].

The interim dividend [illegible] increased from 2.4 to 2.5p.

[illegible] is the [illegible] so far from [illegible] UK housebuilder [illegible] what is proving [illegible] be [illegible] dismal interim results season. George Wimpey, Britain's second biggest housebuilder, announced on Wednesday that it had [illegible] pre-tax profits [illegible] only £200,000 during the [illegible] period.

[illegible] Bowden, which is strongly [illegible] but also builds in southern and eastern England, increased housing profits by [illegible] per [illegible] from £10.6m to £12m.

Profits from [illegible] of commercial property slipped by [illegible] fifth from [illegible].

Mr David Wilson, chairman and chief executive, said [illegible] had sold 650 [illegible] during the first half – 14 per cent more than during the first [illegible] months [illegible] 1990.

The housing market, however, had become more difficult since the spring. Whether [illegible] would match [illegible] 1,263 homes [illegible] last [illegible] would depend upon [illegible] during the [illegible] eight weeks.

"[illegible] is a hint that things might be picking up [illegible]. We have just had our [illegible] weekend for [illegible] months – but, that could just [illegible] easily disappear next weekend," [illegible] Mr [illegible].

He said [illegible] group [illegible] purchases of [illegible] for the recovery when it came. At the end of June the group had net cash [illegible] £10.4m compared with shareholders funds [illegible] £156m.

● COMMENT

Wilson Bowden has displayed its worth in the first half. Sales and margins are up in what has been described as the worst housing market for half a century. The secret of its success is its long land bank, currently standing at about 6,500 plots. Of this about a fifth was bought six or seven years ago at what remains very cheap prices. The group intends to use its financial strength to increase the number of plots it holds to more than 7,000. This would take net debt up to about £10m which would still leave gearing under 10 per cent. Profits, depending upon the next few weeks, could be between £28m and the £30m it earned last year. It remains a quality buy in a hard hit sector.

Specialeyes returns to profits

By Peggy Hollinger

SPECIALEYES, the USM-quoted [illegible] optician which [illegible] per [illegible] UK market, [illegible] into the [illegible] with pre-tax profits [illegible] £201,000 compared to [illegible] £2.71m.

A wide-ranging shake-up [illegible] operations – including [illegible] closure [illegible] loss-making outlets, [illegible] 50 per cent cut in stock values – [illegible] largely responsible for [illegible] improved performance.

"Our base is [illegible] lot stronger now than it [illegible] the [illegible] year," [illegible] Mr Ian [illegible] an upturn in the [illegible], we should certainly [illegible]."

Turnover in the 53 weeks to June 1 [illegible] only slightly to £14.8m (£14.2m). However, sales per outlet per [illegible] increased by [illegible] Mr [illegible] said [illegible] was [illegible] an improved training programme, better service [illegible] new buying policies.

[illegible] exceptional charge of £77,000 (£1.68m) [illegible] due [illegible] opening and closing [illegible]. During [illegible] 14 outlets – most [illegible] them [illegible] sions in department stores – were closed and a further five opened in high street locations. More closures are planned.

The group, which has 66 outlets in the UK, plans to focus increasingly on the high street. Mr Andrew Noble, chairman, said the recession had resulted in good opportunities to acquire prime si[illegible].

Earnings per share emerged at [illegible] against [illegible] of 17.18p. Fully-diluted earnings, taking into [illegible] executive and employee share options, [illegible] 1.96p. No dividend is declared.

Emess completes RSG sale programme

By Clay Harris

EMESS, the lighting and electrical accessories company, is to sell Imperial [illegible] Group to Kolon Industries, [illegible] South Korean textiles manufacturer. Emess will [illegible] £7m [illegible] and [illegible] will assume £1m in [illegible].

The deal completes Emess's piecemeal disposal [illegible] Royal Sovereign Group, [illegible] graphics and stationery company of which it [illegible] full control in January 1990. [illegible] with a book [illegible] £15m [illegible] been sold [illegible] a total [illegible] £17m. The [illegible] being sold also contributed £1.2m in pre-tax profits in 1990.

Mr Michael [illegible], chairman and chief executive, said most of the proceeds would be used to invest in France and Germany, although gearing would [illegible] per cent by the year-end.

All Emess subsidiaries [illegible] its US [illegible] company were achieving double-digit operating margins.

UK COMPANY NEWS

Burmah Castrol dips 9% to £72m

By Jane Fuller

THE GULF crisis, adverse currency movements and the cost of financing the £259m acquisition of Foseco reduced pre-tax profit at Burmah Castrol, the lubricants, chemicals and fuels group, by 9 per cent from £79.2m to £72.2m in the first half of the year.

Mr Lawrence Urquhart, chairman, said the Gulf crisis had dampened activity and caused stockpiling of lubricants in late 1990. "The first quarter was the worst in my 14 years with the company."

Trading profit rose to £96.5m (£91.5m), affected by a £5m adverse currency cost. Interest paid amounted to £24.3m (£12.3m). Turnover was £1.16bn, nearly 40 per cent up on the corresponding period.

Burmah bought Foseco, the speciality chemicals and abrasives producer, in December. It contributed £15.3m to trading profit and £269.4m to sales.

Mr Urquhart said that because the associated interest costs were more than £18m, the net effect was to knock £3.7m off pre-tax profit.

The Foseco acquisition also had an adverse effect on the tax rate, which rose to 47 per cent [illegible] per cent). UK borrowings had bought overseas earnings and low UK pre-tax profit had led to a high[illegible] ACT write-off. The transfer of [illegible] overseas would [illegible] the problem.

The chemicals side increased trading profit to £21.4m (£7.5m). Foseco's metallurgical chemicals had been established as a [illegible] division, while Fosroc [illegible] merged with [illegible] existing construction and mining chemicals operation.

Abrasives, diamond products and UK industrials, representing £150m annual turnover and £75m net assets – between a quarter and [illegible] third of the acquisition – [illegible] up for sale.

In lubricants, trading profit slipped [illegible] (£60.3m), although Castrol was [illegible] cent ahead on constant exchange [illegible]

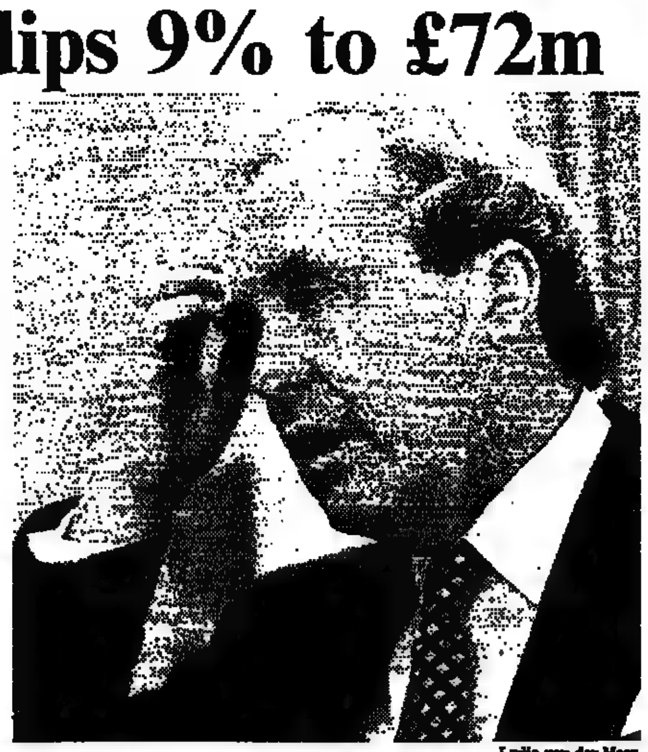
Profits in [illegible] fell to [illegible] (£11.1m), as UK drivers [illegible] on petrol consumption in the [illegible] and [illegible] petrol [illegible] property market dried up.

Disposals [illegible] shipping [illegible] investments [illegible] £4.3m [illegible]

Gearing [illegible] per cent [illegible] year-end [illegible] per cent, or 71 per [illegible] including [illegible] bonds [illegible] acquisition, [illegible] had had [illegible] in hand after selling [illegible] in [illegible] Consolidated [illegible] for [illegible]

Earnings per share fell 28 per [illegible] to 17.8p (24.7p). The interim [illegible] at 8.5p.

See Lex



Lydia van der Meer

Lawrence Urquhart: first quarter the worst in 14 years

NEWS DIGEST

British Dredging falls 55%

BRITISH DREDGING blamed the worse-than-expected recession in the building industry for a 55 per cent fall in interim pre-tax profits from £1.69m to £759,000.

Mr Fane Vernon, chairman, said there was little sign of an improvement before next year.

Turnover for the first half of 1991 was unchanged at £16.1m. Earnings per share came out at 2.88p (6.28p) but the interim dividend is maintained at 2.6p.

Sharp rise at British-Borneo

Announcing pre-tax profits up from £705,000 to £1.66m for the six months to June 30, Mr Alan Gaynor, managing director of British-Borneo Petroleum Syndicate, said the company had participated in 23 exploration wells in the Gulf of Mexico, of which 11 had encountered producible hydrocarbons.

Oil and gas production achieved sales of £1.12m, against £11,000 with profit on dealing activities and investment income increased to £1.95m (£1.38m). There is a maintained equivalent interim dividend of 2.667p from earnings of 7.96p (3.64p).

Ex-Lands almost wipes out losses

Ex-Lands, the security investment group which owns and deals in real estate, reported a sharply [illegible] for [illegible] year to June 30.

At the pre-tax [illegible] was [illegible] after exceptional [illegible] of £63,000 in connection [illegible] acquisitions. This compared with [illegible] loss of £689,000 before similar charges [illegible] extraordinary items of £245,000 in the previous year.

After exceptionals [illegible] tax credit [illegible] £39,000 [illegible] earnings came [illegible] 0.06p [illegible] losses). There is no dividend – [illegible] last payment was 0.4p for 1988 – but proposals will be put to shareholders [illegible] the annual meeting to enable [illegible] of future [illegible]

Reece returns to the dividend list

Reece, the fastener supplier, uPVC door manufacturer and cycle components distributor previously known [illegible], reported pre-tax profits [illegible] £540,000 for the six months to June 30. [illegible] dividend of 0.1p is declared, the first for [illegible] number [illegible] years.

The previous first half saw losses of £136,000, but [illegible] outcome for the full 15 months period [illegible] December 31 1990 was £415,000 profit.

Turnover in the period under review rose to £6.93m (£2.04m), [illegible] as a result [illegible]

Earnings worked through at [illegible] per share (losses 0.28p).

Porvair moves ahead 11.5% to £670,000

Porvair, [illegible] USM-quoted microporous plastics specialist, reported an increase [illegible] 12 per cent [illegible] £670,000 in pre-tax profits for the [illegible] months [illegible] May 31 on turnover [illegible] £7.65m to £7.7m.

Mr John Morgan, [illegible] chief executive, said [illegible] results reflected the [illegible] higher margin products [illegible] improved production efficiencies.

After a tax charge of £165,000 (£4,000), earnings fell to 4.2p (4.9p) but [illegible] interim dividend [illegible] increased from 1p to 1.1p.

JMD reduces its deficit to £67,000

JMD Group, the USM-quoted greetings cards [illegible] and merchandiser of novelty products, reduced losses from £874,000 to £67,000 in the first half on sales down 6 per cent [illegible] £1.15m. The previous 12 months saw losses of £1.11m.

Mr Richard Beecham, [illegible], said Downpace, the [illegible] trading subsidiary, had enjoyed reasonable trading [illegible] the six months to June 30. In [illegible] second half, traditionally the stronger period, a significant contribution was expected from products featuring the [illegible]

[illegible] per share on continuing activities came through at [illegible] (0.33p).

[illegible] in the black with I£0.7m

A [illegible] performance in its domestic business put Xtra-vision back into profit in the first half to July 31.

The Dublin-based video rental company achieved taxable profits of I£708,000 (£643,600), against losses of I£2.4m previously, under its [illegible] appointed when Cambridge Group, the Irish financial services group, [illegible] the majority [illegible] holder in January.

Mr Colm Menton, [illegible] USM-quoted company, [illegible] to improve the product and service to [illegible] in [illegible] Irish Republic had produced a strong perfor[illegible]

Turnover fell [illegible] to I£10.9m (I£15.8m) [illegible] profit before interest [illegible] similar charges came [illegible] I£1.6m (I£1.25m loss). The 1990 [illegible] were [illegible] reflect [illegible] change in accounting policy.

Struggle for control at Aberfoyle intensifies

By Joel Kibazo

THE two-year battle for [illegible] Aberfoyle Holdings, the agriculture, textiles, security products and services group, intensified yesterday when a group of shareholders called for the board to be replaced.

The group represents about [illegible] per [illegible] shareholders, including Crescent Africa, a private company with a 26 per cent stake. Mr Kojo Owusu-Nyantekyi, its chairman, [illegible] called for the board's removal two years ago.

The aggrieved shareholders are calling for an extraordinary meeting. They have [illegible] "increasingly con[illegible]" by the failure of management to develop [illegible] biggest investment, the Mwenezi development project in Zimbabwe [illegible] produce palm oil.

They [illegible] pointed [illegible] the postponement of [illegible] 1990 results, which Aberfoyle said would be announced following [illegible] conclusion [illegible] its medium-term financing.

The group [illegible] that Mr Ian Coates, chairman, be [illegible] by [illegible] Peter Gadsden, chairman of Private Patients Plan, and Mr B Gill, managing director, [illegible] replaced by Mr Barry Trowbridge, [illegible] previously ran [illegible] waste management business. Mr Owusu-Nyantekyi would also join the board but [illegible] group [illegible] Mr P Wilks, finance director, to remain.

Mr Trowbridge said: "The [illegible] have run out of [illegible] have been [illegible] dividend payments [illegible] many [illegible] and all the shareholders [illegible] been [illegible] is excuses. The postponement [illegible] the [illegible] was the final straw."

Provident Financial shows slight improvement to £10.6m

By David Barchard

PROVIDENT FINANCIAL, the [illegible]al loan and consumer finance [illegible] made pre-tax profits of £10.6m in [illegible] months to June [illegible] slightly up on the [illegible] reported in the comparable period.

Turnover rose by 13 per cent, from £145.2m [illegible] £164.2m. Weekly collected credit activities [illegible] £10.1m against £7.4m, but monthly collected credit, which broke even last [illegible] incurred a loss of £1.1m.

Insurance profits fell [illegible] £3.9m to £2.1m. Central [illegible] rose from £1.4m to £1.7m.

Among the group's subsidiaries, the weekly collected credit business [illegible] Provident Personal Credit achieved an excellent result and improved its margins.

Reorganisation at the HT Greenwood weekly credit company was proving [illegible] than anticipated while Lawson Fisher had introduced new technology into [illegible] branch network.

Peoples Bank and Peoples Motor Finance, the motor hire purchase operations, per[illegible] disappointingly.

Earnings [illegible] share rose [illegible] 14.37p (13.45p) and the interim dividend is increased by 0.5p to 8.5p.

Sir Timothy Kitson, chairman, said that the result was good when taken in [illegible] context of a difficult economic climate.

The [illegible] moved [illegible] 4p [illegible] 469p.

Bristol & West climbs 21%

By David Barchard

BRISTOL [illegible] WEST, [illegible] 10th largest UK building society, yesterday announced a 21 [illegible] cent increase in pre-tax profits to [illegible] the first half [illegible] 1991, [illegible] adjusting [illegible] the 110-branch Hamptons estate [illegible] chain acquired in Sep[illegible]

[illegible] of the society grew [illegible] per cent.

"These results demonstrate, once [illegible] that Bristol & [illegible] a strong, profitable [illegible] fast-growing financial business," said Mr Tony FitzSimons, managing director.

"They show that [illegible] are [illegible] course for our planned finan[illegible] for 1991," he [illegible]

Mortgage lending [illegible] from [illegible] a year [illegible] £4.94bn, [illegible] deposits were up from £3.64bn to £4.3bn.

Mr FitzSimons [illegible] that Hamptons had incurred [illegible] small [illegible] during the first half but [illegible] it [illegible] trading profitably.

Provisions against possible [illegible] during the first half of this [illegible]

Harland & Wolff makes initial £6.6m

By our [illegible] Correspondent

HARLAND [illegible] WOLFF, [illegible] Belfast shipbuilder, [illegible] profit on [illegible] trading operations [illegible] the [illegible] time since privatisation, according [illegible] figures announced yesterday.

In [illegible] June 30 it made pre-tax profits [illegible] £6.6m on [illegible] the profit – [illegible] – was attributable to interest on cash reserves held by the company. An interim dividend [illegible] 3.5p [illegible]

The figures [illegible] made a profit of £400,000 on [illegible] shipbuilding, ship repair and [illegible] services operations.

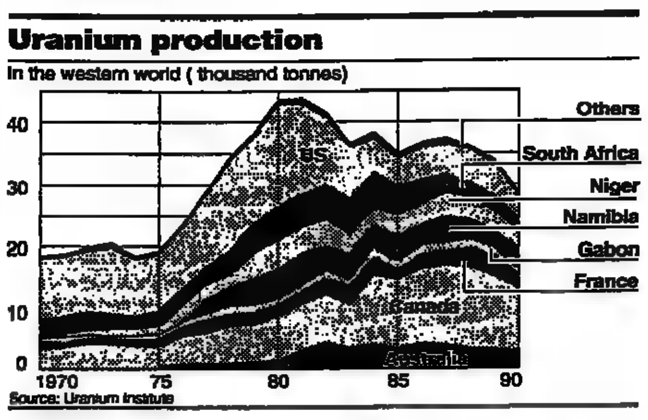
Last week Harland [illegible] had signed contracts [illegible] to build six new bulk carriers designed [illegible] own specification. It [illegible] the single largest merchant shipping order [illegible] placed in [illegible] UK shipyard.

Mr John Parker, chairman [illegible] chief executive, [illegible] encouraging.

COMMODITIES AND AGRICULTURE

Destocking may dash uranium market hopes

By Kenneth Gooding, Mining Correspondent



Source: Uranium Institute

BELEAGUERED URANIUM producers, already suffering from extraordinarily low [illegible] because of Soviet exports, face [illegible] new [illegible] – better relations between the world's superpowers means that military [illegible] might now [illegible] sold.

There is the equivalent of 250,000 tonnes of natural uranium, or five years' requirements, in [illegible] military [illegible] of China, France, India, [illegible] UK and the US, according to a study published yesterday by [illegible] Uranium Institute.

This new threat could hit the market just [illegible] its present problems begin to [illegible].

The institute [illegible] at present up to [illegible] tonnes [illegible] surplus uranium stocks at power companies in North America, Western Europe and East Asia. That alone would [illegible] enough [illegible] 52,000-tonnes [illegible] 500,000 [illegible] it [illegible] will [illegible] required by nuclear [illegible] in [illegible] and the potential supply of [illegible].

In addition, producers in the [illegible] world [illegible] hold [illegible] equivalent to [illegible] year's depressed output of about [illegible] This was [illegible] below [illegible] peak and the [illegible]. Output [illegible] expected [illegible] be even lower [illegible] 26,000 [illegible].

Uranium [illegible] only [illegible] application – [illegible] nuclear [illegible]. Demand depends entirely [illegible] nuclear generating capacity in the 25 countries using [illegible] form of power.

Spot prices of uranium oxide are now well below the production [illegible] of most mines at US$8.55 a lb. Prices peaked at US$45 a lb in 1978. The market changed dramatically in the [illegible] intermediaries [illegible] to [illegible] their own accounts. By selling [illegible] from [illegible] huge [illegible] they have become important [illegible] suppliers.

[illegible] taking [illegible] low spot prices [illegible] are buying on [illegible] spot [illegible] than re-opening mines [illegible] commitments.

Mr Phillip Crowson, [illegible] adviser [illegible] RTZ Corporation, [illegible] world's largest mining [illegible] yesterday that the drawdown [illegible] would [illegible] albeit at [illegible] slowing [illegible].

Presenting a paper on supply and demand, prepared by himself and Mr Wolf [illegible], the Institute's senior economist, Mr [illegible] suggested it was unlikely [illegible] Soviet Union and China would export [illegible] their [illegible] target [illegible] 6,000 tonnes [illegible] uranium a [illegible], [illegible] though they obviously had [illegible] capacity [illegible] so.

"There must be concern over security of supply and unease over political conditions which should ensure these goals are not greatly exceeded," he told the institute's annual symposium in London.

Then he raised the question of potential supply from military stocks. He said: "We assume military uranium will not be [illegible] significant [illegible] for several years at least. But will this become [illegible] uranium industry's next Trojan horse?"

Break seen in cocoa clouds ahead of pact talks

By David Blackwell

THE RISE in cocoa prices over the past [illegible] or so might convince some [illegible] the delegates arriving [illegible] the annual meeting of the International Cocoa Organisation (ICCO) in London today [illegible] there is a break in the clouds of gloom [illegible] enveloped the market for a couple [illegible].

Both on the London and [illegible] York terminal markets, cocoa prices [illegible] advanced sharply [illegible] recent [illegible] as players have become [illegible] ingly convinced that the 1991-92 [illegible] head-ing for the [illegible] supply deficit [illegible] eight [illegible]. Yesterday December cocoa [illegible] £747 [illegible] tonne, [illegible] of £66 from [illegible] previous [illegible]. [illegible] York [illegible] closed at $1,190 [illegible] on Wednesday, [illegible] ahead of Wednesday last week.

Delegates [illegible] anxious [illegible] make [illegible] talks after agreeing [illegible] to [illegible] up a working party on the moribund cocoa agreement. The working party [illegible] open to ideas from anyone with a legitimate interest in the cocoa market.

However, the first meeting of the working group [illegible] not [illegible] place until [illegible] end of [illegible] week. The group will meet again [illegible] beginning of December, followed by a [illegible] full council meeting of the organisation [illegible] its findings.

That [illegible] only routine business [illegible] today and next week, along with the familiar arguments that arise at every [illegible] meeting – notably over the $150m still owed by producer countries to the buffer stock.

Even so analysts [illegible] that the pact talks could [illegible] to the mildly bullish tone of the cocoa markets.

But the main reason behind the rise in prices is a fundamental change in the outlook for the supply and demand balance. According to Mr Tony Chadwick, analyst with Prudential Bache, the deficit for 1991-1992 could be in the order of 80,000 to 100,000 tonnes.

The fall in world cocoa prices to 16-year lows has left producers with little option but to cut the use of pesticides, fertilisers and even labour. In Brazil, where dry weather has compounded problems, witches broom [illegible] black pod [illegible] have spread through plantations. According [illegible] GNI, the London futures broker, Brazilian production could fall to 270,000 [illegible] compared with [illegible] this [illegible].

[illegible] African and Malaysian production is also seen falling.

At the same time consumption [illegible] grow strongly. "Grinding rates have been growing at an exceptional rate for 10 years and there is a strong likelihood of an 80,000 to 90,000-tonne expansion in global demand in 1991-92," says GNI.

Mr Chadwick points out that Soviet consumption has fallen in the past two years from 200,000 tonnes to 70,000 tonnes. While it could still fall further, the potential for a revival in Soviet demand remains in the background. Similarly demand for chocolate could grow strongly in eastern Europe.

The current season's surplus is put at 139,000 tonnes by Gill & Duffus, the London trader, and world stocks stand at 1.46m tonnes.

While such an overhang will continue to keep the brakes on the cocoa market, GNI believes that "with many producers probably oversold on forward contracts, nearby tig[illegible] may none the less push prices up to £1,000 a tonne by the year-end."

Malaysia not dismayed by market problems

Sales have been helped by rapid growth in domestic processing, writes Lim Siong Hoon

"THE WORLD [illegible] market [illegible] in [illegible] slump [illegible] Malaysia [illegible] still [illegible] bean [illegible] produce," [illegible] Mr Tay [illegible] Beok, deputy director-general [illegible] Malaysian Cocoa Board, [illegible] country's [illegible] regulatory body. He heads [illegible] board's [illegible] division.

With [illegible] the commodity being helped by a rapid growth in [illegible] cocoa processing capacity [illegible] been [illegible] the build-up in domestic stockpiles [illegible] has plagued other producers.

[illegible] 1990, Malaysian grinding capacity rose by 50 per [illegible] 66,000 tonnes. [illegible] ted to [illegible] another 36 per [illegible] to 90,000 tonnes. Counting 40,000 tonnes of capacity in neighbouring Singapore, factories in the two countries will be absorbing nearly half of this year's output, forecast to rise to 380,000 tonnes from last year's 260,000 [illegible].

[illegible] processors are doubling [illegible] trebling [illegible] capacities because the pressing margin (the price premium for [illegible] butter [illegible] grown [illegible] the price [illegible] beans [illegible] four [illegible].

The [illegible] cocoa [illegible] contrasts sharply with depressed [illegible] commodity market, [illegible] bean prices have encouraged stockpiling.

[illegible] has [illegible] a worldwide [illegible] on supply of [illegible] products, particularly butter. [illegible] European buyers [illegible] joined [illegible] chocolate makers [illegible] buyers [illegible] Malaysian products, [illegible] Mr [illegible] Maclachlan, representative [illegible] E.D. [illegible] F. Man, [illegible] London-[illegible] commodity broker.

Malaysian cocoa butter exports have [illegible] surging [illegible] 1989, when [illegible] far [illegible] stripped [illegible] per [illegible] in world bean consumption [illegible] 22 [illegible]. About 75 per [illegible] of locally-produced cocoa butter [illegible] sold [illegible] Netherlands, [illegible] UK and [illegible] US.

"There is a lot [illegible] profit being made," [illegible] Mr Maclachlan, from [illegible] anomaly [illegible] prices [illegible] cocoa products and [illegible]. "It [illegible] be good for manufacturers but [illegible] not healthy for the industry [illegible]."

Cocoa plantations, like Golden Hope (formerly Harrisons Malaysian), are responding [illegible] the [illegible] by raising their investments in cocoa grinding: the Malaysian government [illegible] for 14 plants, on top of 10 [illegible] operating. [illegible] Mr Tay [illegible] that, in [illegible] term, farmers [illegible] only [illegible] for low bean prices by raising [illegible] yields, although [illegible] nearly [illegible] the Malaysian average [illegible] the highest in the world. The cocoa board is aiming for 1 tonne [illegible] hectare, not [illegible] ily [illegible] unrealistic [illegible] well-managed plots [illegible] as much [illegible] 1.5 tonnes a hectare.

This means that, even without further expansion of cultivated land, Malaysia hopes to reach an output of 340,000 to 400,000 tonnes by 1995. But Mr Tay doubts that Malaysia can produce the volumes achieved by Ivory Coast because of a shortage of suitable land.

Set up this year, the board has [illegible] 1989 parliamentary mandate to help reform cultivation and establish a system for the physical grading of beans. For this purpose the board issues a certificate, which gives quality a legal backing.

The grading system involves six levels of physical quality standards, based on bean size uniformity (100 beans per 100 gram is optimum) and the level of mouldiness and other defects, says Mr M.J. Musa, also the board's deputy director-general. He heads the marketing and regulatory division.

The board is critical of current international grading methods, which make little distinction between the subjective standards of flavour and the tangible, physical quality.

The establishment of the board is symbolic of Malaysia's determined push towards improving its regulatory and research work. Aside from these functions, its other main occupation is finding more food and non-food uses for cocoa.

"Most agricultural producers focus on production rather than industrial research," says Mr Tay. "I think the Malaysian approach is the right way."

Its ambition is to become a big market player not simply in cultivation but also in cocoa products manufacturing.

[illegible] partly aimed [illegible] Pacific region. This is "a brand new market", says Mr Musa, who hopes to persuade the Chinese to drink as much cocoa as they do in tea. "I think it is easier to convince them to switch to cocoa than to convince coffee drinkers," he says.

While Swiss annual consumption of cocoa is 4 kg a head, the Japanese, who have equivalent income levels, consume just 600 grams each. China's consumption is just 200 grams a head.

This, Mr Tay thinks, is a problem of image. Asians tend to regard cocoa as "an expensive, imported product", although just 10 to 12 per cent of the price of a chocolate bar represents the cost of the cocoa in it.

Jamaican company's Soviet bauxite deal 'not threatened'

By Canute James [illegible] Kingston

A [illegible] company [illegible] sells bauxite to the [illegible] Union [illegible] its supply [illegible] in danger following recent developments there. But it says it is watching [illegible] "carefully".

The [illegible] Bauxite and Alumina Trading Company (Batco) has [illegible] to supply [illegible] tonnes of ore a year over five years, starting this [illegible]. The agreement is expected to earn the island about [illegible]. Mr Audley Roberts, managing director of the company, admitted that shipments to the Soviet Union [illegible] behind [illegible], but [illegible] said that resulted from problems that arose before the start of [illegible].

Earlier, Mr [illegible] Cooke, a consultant with the Jamaican Bauxite Institute, suggested that Batco's contract was in danger because it had been agreed with a Soviet agency in Moscow, but that the ore was being used by a refinery in the Ukraine.

[illegible] industry [illegible] contract was secure [illegible] long as [illegible] Ukraine remained part of the Soviet Union. They said that if the [illegible] moved to independence either the contract [illegible] have to be [illegible] with that government, or the Soviet government would have to find another refinery that was technically able and willing to process the ore. Failing this, the [illegible] would be [illegible].

Mr Roberts said there had been difficulties with the [illegible] tract before [illegible] of unrest. He said that the shipment of the ore had fallen behind schedule because the [illegible] Union "has recently been diverting their ships to earn hard currency".

The [illegible] Union [illegible] delivery of 30,000 tonnes instead of 250,000 tonnes in the first quarter of this year. A lack of hard currency [illegible] pay [illegible] bauxite [illegible] reported by Jamaican officials [illegible] the [illegible].

[illegible] between representatives of both governments led [illegible] resumption of shipments in June. Batco is projecting that it will ship 180,000 [illegible] ore between this month and December. That would make [illegible] of bauxite [illegible] the Soviet Union this year about 600,000 tonnes.

"The shortfall of 400,000 tonnes will represent a revenue shortfall of [illegible]," the company said. And it will reduce the [illegible]amaican industry's growth rate.

[illegible] production in the first six months of this year was 5.53m tonnes, 1.4 per cent more than in the corresponding period [illegible]. The Jamaica Bauxite Institute is forecasting 1991 production [illegible] 11.1m tonnes, 1.6 per [illegible] more than actual output in 1990. Ore production in 1990 was 13.7 per cent more than in 1989.

Natural rubber producers begin 3-day meeting

THE WORLD'S leading natural rubber producers [illegible] a 3-day closed meeting yesterday [illegible] discuss production and marketing strategies in an effort to boost prices, reports Reuters from Solo.

"We just set up [illegible] special committee which will work on the strategies soon," said Mr Abdul Madjid, [illegible] retary-general of the Association [illegible] Natural Rubber [illegible] ing Countries.

The executive committee of the 7-member ANRPC will also press for early renegotiation of the International Natural Rubber Agreement, a pact – due [illegible] expire in December [illegible] – to maintain buffer stocks in order to stabilise prices.

"We [illegible] a new pact which provides better price [illegible] nisms. The current agreement has failed to provide fair and [illegible] for us," Mr Madjid said.

The International Natural [illegible] Organisation, which administers the agreement, will meet next month in Malaysia to consider renegotiating the agreement.

Smaller Canadian wheat crop forecast

By Bernard Simon in [illegible]

CANADA'S PRAIRIE wheat harvest is expected to be somewhat lower than last year, [illegible] yields in the key province of Saskatchewan. With more than half the [illegible], the Department of Agriculture has [illegible] a total yield from the three western provinces of [illegible] tonnes, down from 31.1m [illegible] last season.

The relatively large harvest [illegible] failed, however, to lift the sombre mood among [illegible] grain farmers caused by low world prices. Canada is the world's third biggest [illegible] exporter, after the US and the European Community, and regards itself as one of the chief victims of the wheat subsidy war. The Canadian Wheat Board last month lowered initial payments [illegible] for the current crop year to [illegible] ($50) a tonne, from C$135 last season.

Mr Gordon Reichert, an Agriculture Canada forecaster in Winnipeg, said the drop was mainly due [illegible] an expected 1.2m-tonne fall in the harvest in Manitoba, where excess moisture early in the season damaged parts of the crop.

The prairie barley harvest is [illegible] to fall to 12.6m tonnes [illegible] 12.9m tonnes. But the [illegible] (rapeseed) crop is set to balloon to 4.3m tonnes from 3.2m tonnes, thanks to a 24 per cent increase in [illegible].

The Saskatchewan Wheat Pool said it expected the province's grain harvest to total 24.8m [illegible], the second [illegible] est on record. Spring [illegible] will contribute 14.5m tonnes and durum wheat 3.5m tonnes. The Pool said [illegible] dry [illegible] had allowed farmers to make "excellent progress" in bringing in the harvest.

WORLD COMMODITIES PRICES

MARKET REPORT

Robusta coffee prices broke out [illegible] their [illegible] narrow [illegible] on concern [illegible] political upheavals in robusta-producing Zaire [illegible] unconfirmed [illegible] talk that [illegible] – [illegible] leading supplier [illegible] robusta [illegible] – [illegible] imposed some [illegible] exports. In New York [illegible] looking [illegible] at midday, with [illegible] reluctant [illegible] short as they [illegible] further [illegible] financing [illegible] producers' [illegible] plan. [illegible] LME copper prices moved [illegible] short-covering against a background [illegible] concern [illegible] tightness of September delivery [illegible] and the [illegible] in Zaire, which [illegible] about 5 per cent of world production. Nickel [illegible] further, but [illegible] above earlier 18-month [illegible]. Further [illegible] expected, with physical supply likely [illegible] demand in [illegible] final [illegible] year, while [illegible] Soviet [illegible] into Europe should [illegible] in [illegible]. Platinum lost Wednesday's gains on [illegible] Impala [illegible] reopened [illegible] North mine which [illegible] just one day. Nymex platinum [illegible] down at midday, weighed down by heavy Japanese [illegible] selling.

Compiled from [illegible]

London Markets

[illegible] MARKETS		
Crude oil (per barrel FOB)		+ or -
Dubai	[illegible]	[illegible]
Brent [illegible] (dated)	[illegible]	-.175
[illegible] Blend [illegible]	$20.10-0.15	[illegible]
W.T.I. (1 pm [illegible])	[illegible]	-.125
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium [illegible]	[illegible]	+2
Gas Oil	[illegible]	+2
Heavy Fuel Oil	$69-71	-1
Naphtha	$207-209	+[illegible]
Petroleum Argus Estimates		
Other		+ or -
Gold [illegible]	$347.50	-1.5
[illegible] (per troy [illegible])	389.5c	[illegible]
Platinum (per troy oz)	$340.5	-5.0
Palladium (per troy oz)	$81.25	-0.25
[illegible] (US Producer)	107.4c	-0.8
Lead (US Producer)	36.4c	
Tin (Kuala Lumpur market)	[illegible]	
Tin (New York)	258.5c	-0.5
Zinc (US [illegible])	62.0	
Cattle (live weight)†	105.04	-3.98*
Sheep (dead [illegible])	118.45	-1.98*
Pigs (live weight)†	67.79p	+2.35*
[illegible] sugar (raw)	[illegible]	-0.4
London daily sugar (white)	[illegible]	[illegible]
Tate and Lyle export price	[illegible]	
Barley (English feed)	£112.5x	
Maize (US No. 3 yellow)	£180	
Wheat [illegible] Dark Northern)	£97.0	
[illegible]	51.75p	[illegible]
Rubber [illegible]	52.25p	-0.25
Rubber (KL RSS No 1 [illegible])	[illegible]	+0.50
Coconut oil (Philippines)§	$420.0t	
[illegible] (Malaysian)§	$317.5t	-2.5
Copra (Phil[illegible])	$262.5§	
Soyabeans (US)	£157.5	+2.5
[illegible] "A" [illegible]	[illegible]	[illegible]
Wooltops (64s Super)	360p	

[illegible] unl[illegible] p-pence/kg. c-cents/lb. r-ringgit/kg. q-Sep/Oct t-Aug/Dec u-Oct/Dec x-Sep y-Aug/Sep z-Oct j-Oct/Nov. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. [illegible] Bullion [illegible] close. m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

[illegible]	[illegible]	Previous	High/Low	
[illegible]	207.00	199.40	208.00	[illegible]
[illegible]	[illegible]	191.20	191.00	186.00
Mar	[illegible]	186.20	193.00	[illegible]
May	[illegible]	[illegible]	185.60	182.00
Aug	200.00		[illegible]	[illegible]
Oct	[illegible]		187.00	

[illegible]	[illegible]	[illegible]	High/Low	
[illegible]	288.0	[illegible]	285.0	280.4
[illegible]	281.6	[illegible]	278.5	274.0
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	
Aug	[illegible]	[illegible]	[illegible]	275.0
Oct	[illegible]		257.0	
[illegible]	258.5		255.0	

Turnover: Raw 2098 (913) lots of 50 tonnes. White 1918 (630)
Paris- White (FFr per tonne): Oct 674, Dec 649

CRUDE OIL – [illegible]

	[illegible]	[illegible]	High/Low	
Oct	20.14	20.25	20.19	20.09
Nov	20.15	20.26	20.22	20.14
Dec	20.17	[illegible]	20.20	20.13
[illegible]	20.10	20.15	20.11	20.07
Feb	20.01		20.01	20.00
Mar	20.00	20.00	20.00	
IPE Index	20.34	[illegible]		

[illegible]

GAS OIL – IPE

	Latest	[illegible]	High/Low	
Sep	192.50	192.75	193.00	190.75
Oct	195.50	196.00	195.75	194.00
[illegible]	197.25	[illegible]	197.50	195.75
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jan	198.00	197.00	198.75	195.50
Feb	[illegible]	191.50	192.25	190.50
Mar	[illegible]	185.50	185.00	
[illegible]	175.00		175.50	175.00

Turnover 8378 (10941)lots of 100 tonnes

FRUIT & VEGETABLE

Homegrown plums are this week's best fruit buy at 45-60p a lb (55-70p). New season apples are coming into their own with English Discovery at 48-55p a lb (40-65p) and French Golden Delicious at 50-60p a lb (60-[illegible]). Grapefruit at 25-35p each (25-35p) for [illegible] varieties and 40-45p each (40-45p) for pink varieties. Sweet corn at 30-45p per cob (35-45p) is plentiful this week, English Primo cabbage at 25-30p a lb (25-30p) and carrots at 18-20p a lb (15-22p). White and green celery varieties are good this week at 35-50p a head (45-65p). Other salad choices include tomatoes at 48-65p a lb (40-55p) and iceberg at 45-55p each (45-60p).

COCOA – London FOX (£/tonne)

	Close	Previous	High/Low	
Sep	714	714	715	711
[illegible]	747	745	752	739
Mar	783	778	[illegible]	[illegible]
May	805	797	805	795
Jul	825	817	825	816
Sep	845	836	[illegible]	[illegible]
[illegible]	868	858	866	858
[illegible]	890	882	890	880
May	907	897	905	[illegible]
Jul	923	911	920	[illegible]

Turnover: 10501 (15737) lots of 10 [illegible]
ICCO indicator prices (SDRs per [illegible]). Daily [illegible] 10 day average [illegible] 5 [illegible]

COFFEE – London FOX [illegible]

	Close	[illegible]	High/Low	
Sep	[illegible]	520	543	520
Nov	[illegible]	548	567	546
Jan	582	569	[illegible]	568
[illegible]	592	585	595	[illegible]

Turn[illegible] lots of 5 tonnes
ICO [illegible] (US cents [illegible] pound) [illegible] Sep 4 : Comp. daily 65.88 (66.18) [illegible] day average [illegible]

POTATOES – London FOX [illegible]

	[illegible]	[illegible]	High/Low	
Nov	84.0	85.0	83.5	
Apr	121.0	[illegible]	121.5	[illegible]

[illegible] 101 (186) [illegible]

SOYAMEAL – London FOX (£/tonne)

	[illegible]	[illegible]	High/Low
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

Turnover 28 (250) [illegible] of [illegible] tonnes.

FREIGHT – London FOX ($10/index point)

	[illegible]	[illegible]	High/Low	
[illegible]	1618	1613	1615	1605
[illegible]	1710	1703	1715	1700
Jan	1711	1711	1710	[illegible]
[illegible]	1530		1530	
[illegible]	1544	[illegible]		

Turnover 74 (186)

GRAINS – London FOX [illegible]

[illegible]	[illegible]	[illegible]	High/Low	
[illegible]	114.00	113.90	[illegible]	[illegible]
Nov	[illegible]	[illegible]	116.95	116.60
Jan	[illegible]	[illegible]	120.50	120.05
Mar	[illegible]	[illegible]	123.50	

Barley	Close	[illegible]	High/Low	
Sep	110.70		110.50	
[illegible]	[illegible]	113.55	[illegible]	[illegible]
[illegible]	119.60	119.60	[illegible]	[illegible]

Turnover: Wheat 400 (441), [illegible] (61).
Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low	
Sep	90.5	90.0	90.0	
Oct	99.5	98.5	99.0	98.5
Nov	104.0	103.5	103.7	103.5
Jan	104.0	104.0	103.5	
Mar	109.5		109.0	

Turnover:75 (24) lots of 3,250 kg

[illegible] – London FOX

	Close	Prev.	High	[illegible]	Vol
Indx	137.20	137.12			
Sep	137.10	137.50	137.30	137.10	110
Oct	138.10	137.80	138.10	[illegible]	140
Nov	137.80	138.30	138.00	[illegible]	95
Dec	138.60	138.60	138.60	138.40	115

LONDON [illegible] EXCHANGE (Prices [illegible] by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
[illegible], 99.7% purity ($ per tonne)						Total daily turnover 24,344 lots
Cash	1250-1	1244-5		1249-50		
[illegible]	[illegible]	1275-6	[illegible]	[illegible]	1278-9	[illegible]
Copper, Grade A (£ per tonne)						Total daily [illegible] 16,368 lots
Cash	[illegible]	[illegible]	[illegible]	[illegible]		
3 [illegible]	[illegible]	1352-2.5	[illegible]	1355-6	1357-8	[illegible] lots
Lead (£ [illegible])						Total [illegible] 1,558 lots
Cash	[illegible]	[illegible]	[illegible]	[illegible]		
3 [illegible]	[illegible]	323-4	[illegible]	[illegible]	[illegible]	1,400 lots
[illegible] ($ per tonne)						[illegible] daily [illegible] 2,829 [illegible]
[illegible]	7695-705	7710-20	7700/7690	[illegible]		
3 [illegible]	[illegible]	7755-60	7750/7700	7690-700	[illegible]	5,918 lots
[illegible] per [illegible]						[illegible] lots
Cash	5575-85	5585-70		[illegible]		
3 [illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1,485 lots
Zinc, [illegible] Grade [illegible] per tonne)						Total daily [illegible] 5,719 [illegible]
Cash	1024-5	1022-4	1026/1025.5	[illegible]		
3 [illegible]	[illegible]	1038-40	[illegible]	[illegible]	[illegible]	7,647 lots
LME Closing £/$ rate: [illegible]		3 [illegible]		6 [illegible]		9 months: 1.6417

LONDON BULLION MARKET
[illegible] supplied [illegible]

Gold (fine oz)	$ price	£ equivalent
Close	[illegible]	
Opening	347.50-347.90	
Morning fix	347.30	205.015
Afternoon fix	347.[illegible]	[illegible]
Day's high	347.[illegible]-348.00	
Day's low	346.40-346.80	

Loco Ldn Mean Gold Lending Rates (Vs US$)			
1 month	5.20	6 months	5.04
2 months	5.15	12 months	4.99
3 [illegible]	[illegible]		

Silver fix	[illegible]	US cts equiv
Spot	228.00	389.25
3 months	233.70	391.50
[illegible]	239.30	397.10
[illegible]	[illegible]	408.40

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	348.00-349.00	205.50-206.00
Maple leaf	358.00-359.00	[illegible]
New [illegible]	83.00-84.00	49.00-49.50

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Oct	[illegible]	[illegible]	[illegible]
1100	153	183	1	1
1200	69	[illegible]	3	10
1300	8	[illegible]	[illegible]	47
Copper (Grade [illegible])	Calls		Puts	
2200	94	[illegible]	[illegible]	[illegible]
2300	31	54	44	83
2400	5	23	119	150
[illegible]	Nov	Jan	Nov	Jan
500	63	83	1	3
550	23	43	11	13
600	5	17	43	37
Cocoa	[illegible]	Mar	Dec	Mar
725	53	91	31	34
750	41	78	44	44
775	32	64	60	57
Brent Crude	Oct	Nov	Oct	Nov
[illegible]	24	62	12	[illegible]
[illegible]	6	35		
2100	2	23		

New York

GOLD 100 [illegible] oz.; [illegible] oz.

	[illegible]	[illegible]	High/Low	
[illegible]	347.0	[illegible]	0	0
Oct	[illegible]	[illegible]	348.5	347.8
Nov	[illegible]	[illegible]	0	0
[illegible]	[illegible]	353.0	351.9	350.6
Feb	354.4	[illegible]	354.5	354.4
Apr	357.4	[illegible]	0	0
Jun	360.5	3382.1	[illegible]	360.0
Aug	363.7	[illegible]	[illegible]	363.9
Oct	366.8	[illegible]	[illegible]	366.5

PLATINUM 50 troy oz; $/troy oz.

	[illegible]	[illegible]	High/Low	
Oct	[illegible]	346.0	344.2	[illegible]
Jan	346.2	350.4	348.0	344.5
Apr	350.0	354.2	349.0	349.0
Jul	[illegible]	358.0	352.5	352.5
Oct	360.6	365.0	362.0	362.0

SILVER 5,000 troy oz; cents/troy oz.

	[illegible]	[illegible]	High/Low	
[illegible]	386.4	390.4	387.5	385.5
[illegible]	[illegible]	[illegible]	0	0
Nov	[illegible]	[illegible]	0	0
Dec	[illegible]	[illegible]	394.0	390.0
[illegible]	[illegible]	397.9	0	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
Jul	407.9	[illegible]	409.5	408.0
Sep	412.7	417.2	413.5	413.5
Dec	419.9	[illegible]	420.0	419.5

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	[illegible]	High/Low	
Sep	[illegible]	[illegible]	104.00	103.60
Oct	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	103.35	102.80	102.90	[illegible]
Dec	102.95	102.40	[illegible]	102.40
Jan	102.30	101.75	[illegible]	0
Feb	101.75	101.25	[illegible]	0
Mar	[illegible]	100.65	101.20	100.85
Apr	[illegible]	100.15	0	0
[illegible]	100.15	99.65	100.20	100.15
Jun	99.80	99.30	0	[illegible]

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	[illegible]	[illegible]	High/Low	
Oct	9.23	[illegible]	9.25	8.53
[illegible]	8.87	8.42	8.[illegible]	8.25
May	[illegible]	[illegible]	[illegible]	[illegible]
Jul	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	8.75	8.36	8.75	8.26

CRUDE OIL (Light) 42,000 US galls $/barrel

	[illegible]	[illegible]	High/Low	
[illegible]	[illegible]	21.81	21.78	[illegible]
[illegible]	[illegible]	[illegible]	21.71	21.60
[illegible]	21.58	[illegible]	21.62	21.53
[illegible]	21.47	[illegible]	21.51	21.44
[illegible]	21.37	[illegible]	21.40	21.33
[illegible]	21.24	[illegible]	21.25	21.20
Apr	[illegible]	21.11	21.11	21.08
[illegible]	[illegible]	21.00	21.00	20.98
Jul	20.80	20.82	20.82	20.78

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Oct	6255	6299	6295	6220
Nov	6365	6391	6390	6330
Dec	6465	6498	6490	6420
Jan	6475	6503	6500	6430
Mar	6065	6099	6095	6065
May	5700	5719	5700	5700
Jun	5648	5670	5725	5595
Jul	5576	5589	5576	5565

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Sep	1151	1150	1152	1150
Dec	1188	1190	1195	1182
Mar	1234	1234	1239	1230
May	1260	1263	1263	1258
Jul	1283	1286	0	0
Sep	1303	1306	1297	1297
Dec	1338	1343	0	0
Mar	1373	1378	1375	1375
May	1397	1402	1399	1395
Jul	1418	1422	1412	1412

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
[illegible]	87.55	[illegible]	[illegible]	85.10
	90.20			87.90
Mar	93.60	91.85	93.75	91.25
May	95.90	94.35	96.00	93.80
Jul	[illegible]	96.80	[illegible]	97.00
Sep	[illegible]	99.50	[illegible]	99.50
Dec	105.50	[illegible]	103.00	103.00

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
[illegible]	66.45	[illegible]	66.50	65.85
[illegible]	[illegible]	[illegible]	[illegible]	66.27
Mar	67.96	67.70	[illegible]	67.45
May	[illegible]	[illegible]	[illegible]	68.26
Jul	[illegible]	[illegible]	[illegible]	69.15
Oct	[illegible]	[illegible]	0	0
[illegible]	[illegible]	[illegible]	[illegible]	67.10

ORANGE JUICE 15,000 lbs; [illegible]

	[illegible]	[illegible]	[illegible]	
Sep	[illegible]	[illegible]	[illegible]	118.10
[illegible]	117.60	117.35	[illegible]	117.50
Jan	[illegible]	118.50	117.50	116.90
Mar	[illegible]	117.60	118.40	117.80
[illegible]	[illegible]	[illegible]	119.25	119.25
Jul	119.20	[illegible]	0	0
[illegible]	119.20	[illegible]	0	0
Nov	119.20	118.85	0	0
[illegible]	119.20	118.85	0	0

INDICES

[illegible] (Base: September 18 [illegible] = 100)			
[illegible] 5	[illegible] 4	mnth ago	yr ago
1669.4	1660.3	1665.9	[illegible]

DOW JONES (Base: Dec. 31 1974 = 100)				
	[illegible] 4	[illegible]	mnth ago	yr ago
Spot	117.02	[illegible]	121.64	129.97
[illegible]	[illegible]	122.31	124.17	133.18

Chicago

[illegible] 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
[illegible]	[illegible]	[illegible]	580/0	575/0
[illegible]	[illegible]	[illegible]	592/4	585/0
Jan	[illegible]	[illegible]	603/0	[illegible]
Mar	608/4	615/2	613/6	[illegible]
May	615/4	621/2	620/0	614/4
Jul	620/4	625/0	625/0	620/0
Aug	615/4	[illegible]	619/0	615/4
Sep	590/0	591/0	594/0	[illegible]

[illegible]YABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Sep	20.21	20.16	20.32	20.10
Oct	20.34	20.19	20.45	20.15
Dec	20.64	20.56	20.80	20.52
Jan	20.85	20.75	20.95	20.75
Mar	21.20	21.10	21.30	21.08
May	21.40	21.32	21.58	21.40
Jul	21.60	21.55	21.60	21.60
Aug	21.62	21.60	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Sep	188.4	190.6	190.4	188.0
Oct	186.1	188.9	188.6	185.8
Dec	185.3	187.2	187.5	185.0
Jan	184.3	186.7	186.7	184.2
Mar	183.1	185.2	186.0	183.0
May	181.7	183.2	183.8	181.5
Jul	182.5	183.5	183.8	182.5
Aug	182.5	182.7	183.0	182.5

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Sep	247/2	248/6	248/4	247/0
Dec	252/6	254/2	254/0	252/4
Mar	260/2	261/4	261/4	260/0
May	265/0	266/2	266/2	265/0
Jul	267/2	268/2	268/2	267/0
Sep	252/2	252/0	255/0	252/0
Dec	250/0	249/2	252/0	249/2

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Sep	316/4	315/4	317/0	312/6
Dec	323/4	325/2	325/2	321/4
Mar	328/4	328/4	328/0	325/0
May	321/0	322/0	323/0	319/4
Jul	309/0	310/0	310/0	307/4
Sep	317/0	317/0	317/0	316/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Oct	71.50	70.12	71.62	70.27
[illegible]	74.35	73.37	74.82	73.50
Feb	72.45	71.92	72.95	72.05
Apr	73.27	72.80	73.65	72.95
Jun	71.20	70.77	71.45	70.80
Aug	69.50	69.40	70.00	69.50

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Oct	44.80	44.25	44.92	44.25
Dec	44.85	43.87	44.95	44.00
Feb	44.15	43.62	44.37	43.70
Apr	42.37	42.05	42.65	42.05
Jun	46.55	46.25	46.80	46.50
[illegible]	46.65	46.25	46.85	46.50
Aug	45.00	44.70	45.00	44.95

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	47.72	46.52	48.36	46.70
[illegible]	47.60	46.47	47.90	46.60
May	48.60	47.52	48.75	47.55
Jul	48.95	48.15	43.10	48.45
Aug	46.75	45.35	47.00	46.50

LONDON STOCK EXCHANGE

Outlook clouded by political factors

By Terry Byland, UK Stock Market Editor

FURTHER consideration overnight of the latest cut in domestic base rates failed yesterday to ignite a UK stock market unsettled by suggestions that share prices might have overrun themselves for the present. Hints of the impending publication of an opinion poll indicating substantially increased support for the Conservative government helped share prices to steady towards the close of trading.

After moving narrowly around overnight levels, [illegible] Index closed last night at 2,663.3, with the fall of 1.3 on the day reflecting mixed fortunes for the blue chip stocks. Seaq-reported trading volume showed only a modest fall at 457.9m shares against 507.7m in the previous session; but traders said that the balance had tipped [illegible] retail, or [illegible] tomer, activity. According to institutional dealers, fund managers were responding to the suggestions from equity [illegible]gists that the equities might have limited further upside [illegible] present by switching into stocks regarded as likely to hold on to current levels.

Account Dealing Dates		
*First Dealings:		
Aug 12	Sep [illegible]	Sep 16
Option Declarations:		
Aug 29	Sep 12	Sep 26
Last Dealings:		
Aug 30	Sep 13	Sep 27
Account Day:		
Sep 9	Sep 23	[illegible] 7

*New-time dealings may take place from 8.30 am two business days earlier.

Beneficiaries from these tactics included Grand Metropolitan, which was strongly recommended by Panmure Gordon and Glaxo which has moved erratically recently and is now seen as offering a buying opportunity.

Much [illegible] the attention focused around the day's list of company profits news, although in the event there [illegible] few surprises on [illegible]. Sun Alliance steadied following its dividend and profits statement but other insurance stocks were uncertain [illegible] reports, [illegible] in the day, of staff layoffs [illegible] a leading [illegible] company.

The possibility of a UK general [illegible] in November, prompted by the la[illegible] in domestic interest [illegible] and the prospect of a further half point cut very [illegible] provided a fresh [illegible] for uncertainty [illegible]

"We are now in for a [illegible] of rumours about impending opinion poll readings," commented one leading analyst. Some securities firms yesterday dusted off their forecasts of the likely effects on the [illegible] market [illegible] respectively, Conservative or Labour party [illegible] in the next UK election. There was no confirmation last night [illegible] reports that this morning [illegible] of an opinion poll result favouring the governing Con[illegible] party.

Mr [illegible] Harnett of [illegible] Turnbull agreed that [illegible] in base rates will [illegible] seen [illegible] increasing "the political risk in [illegible] market"; however, he joined with [illegible] in the [illegible] market in [illegible] that the government was still in a position [illegible] postpone a general election until June [illegible]

The strategy team at County NatWest, noting that the lacklustre [illegible] to this [illegible] base [illegible] cut confirms that the market was "well up with [illegible] good news," held [illegible] its [illegible] that a Footsie at 2,700 will prove a high hurdle for the near term.

There were few sellers in the market yesterday and equity analysts hesitated [illegible] suggest that the bull [illegible] in equities [illegible] over just yet. [illegible] Kleinwort Benson Securities, Mr Simon Williams pointed [illegible] that com[illegible] have largely protected dividend growth during the recession in the UK economy. Kleinwort Benson remains confident that the Footsie Index will achieve [illegible] firm's [illegible] month target [illegible] which, it believes, could be attained [illegible] the end of the [illegible]

Switch boosts Glaxo

GLAXO, which is expected to report healthy full-year profits next Thursday, bucked the easier trend of international stocks yesterday by recording a rise of 20 at 1365p. The market's attention was attracted by a weighty analysis from securities house Lehman Brothers, which apparently prompted a switch by institutions from Rothmans, down 16 at 1070p.

Lehman had sent out a 470-page review of the world drug industry which looked at 140 companies. The review concluded that by the year 2,000 Glaxo would be one of the four companies to market the most significant drugs. The broker was modest about the note, arguing it "merely confirms that Glaxo is one of the most innovative drug companies".

However, the sharp rise in the shares was fuelled by a report from Reuters' wire service yesterday, which said Glaxo would be one of two "biggest winners in the race to develop blockbuster drugs by the year 2000". The report describes blockbuster drugs as those with global sales of more than $500m (£295.8m) a year.

Sun Alliance rallies

Sun [illegible] the composite [illegible] season with [illegible] half-time figures [illegible] market with a [illegible] per cent rise in the interim dividend and indicated an increase in the final dividend.

Sun's interim losses came out at £114m, only marginally below a comparable figure of £119m last year, and were inflated by £50m-worth of losses in the group's mortgage indemnity business.

The stock fell away to 370p in the wake of the losses which had taken many analysts by surprise. But dealers edged the share price higher after what was described as a reassuring post-results meeting with analysts. At the close the shares were a penny up on balance at 377p.

Most analysts expect Sun Alliance to report a full-year pre-tax loss of between £180m and £200m to accomodate a sharply increased mortgage indemnity loss of around £150m for the period.

Mr Andrew Goodwin, composite specialist at UBS Phillips [illegible] Drew is looking for a full-year loss of £195m but expects the dividend total to be raised by 7 per cent. The UBS analyst said he expected the shares to drift back in the short term but labelled the stock a long-term hold "given the strong dividend-paying capacity".

BTR volatile

Confusion [illegible] BTR's interim results prompted vola[illegible] performance in the share price. At first glance, the pre-tax figure of £512m coupled with a raised dividend [illegible] surprisingly good and the shares moved ahead 9. However, when analysts left the meeting with the company it was appreciated by the market that the profits were boosted by the recent £90m gain on the disposal of Pretty Polly, BTR's hosiery subsidiary, and the shares retreated.

The realisation that underlying profits were really far lower was coupled with a statement from the chairman that "in the UK the construction and [illegible] markets continued their downward trend, posing difficulties to our companies". The shares ended a net 5 down at 424p after turnover of 6.9m.

At least one analyst felt the company had "shot itself in the foot" with the way it presented its accounts because once the poor results from BTR's Australian subsidiary BTR [illegible] was stripped out the profits were ultimately encouraging.

Allied-Lyons added 4 at 619p on turnover of 4m as it continued to attract bid speculation. Trade was enlivened on talk that execu[illegible] US brewer Anheuser [illegible], recently con[illegible] potential bidder, had visited [illegible] of the group's [illegible]eries. However, many believe that if [illegible] visit had taken place its aim [illegible] more likely [illegible] been discussion of the contract to brew Budweiser, an Anheuser brand, than any bid proposal. Allied declined to comment.

Among second-line brewers, a bear squeeze was noted in Vaux, which [illegible] 11 [illegible] Wolverhampton [illegible] Dudley [illegible] 6 [illegible]

Presentations by Hoare Govett and suggestions that the bank may be about to sell its New Zealand banking [illegible] in Westpac prompted [illegible] demand [illegible] Lloyds Bank, which ran up 9 to 399p on keen turnover of 3.4m.

Reckitt & Colman was firm in early trading as the market responded to interim results that came in above the top end of expectations. However, at its meeting with analysts the management signalled additional launch costs and said it saw no signs of recovery. After being up 15 at one stage, the shares closed off 5 on the day at 721p after turnover of 1.1m, high for the stock.

Investors took note of the outperformance of ICI and the [illegible] 15 [illegible] 1346p. Nomura Research became a seller of the stock this week, arguing that the price ignored warning signals from the German majors which reported interims last week.

Burmah-Castrol put on 9 to 598p in spite of a wave of full-year earnings downgrades after the interim figures, [illegible] by specialists [illegible] "predictably poor". The rise in the shares was attributed to the absence of a rights issue. However, analysts pointed to the unchanged dividend and 71 per cent gearing and [illegible] the [illegible] price [illegible] "up with [illegible]".

The majors were [illegible] by [illegible] developments. Iraq is [illegible] be [illegible] to export 750,000 [illegible] of oil a day, against [illegible] expectations [illegible] 500,000 barrels a day.

BP shares [illegible] [illegible]ionally [illegible] by a [illegible] by [illegible] Turnbull [illegible] 348p.

A flurry [illegible] buying [illegible] in the [illegible] drove Beazer [illegible] 11 higher [illegible] turnover reached a much-[illegible] than usual 10m. Details of the flotation of C.H. [illegible] Beazer's [illegible] businesses are expected shortly.

Blue Circle [illegible] edged up 3 to 271p as [illegible] market [illegible] the figures, the absence [illegible] a cash-call [illegible]ely suggested [illegible] the press, and what was described as a posi[illegible] post-figures meeting with building analysts.

Wilson Bowden advanced [illegible] to 435p after delivering a rare [illegible] in the sector; an increase in profits. The company's profits improved from £15.2m [illegible] £15.4m and the interim dividend [illegible] from 2.4p [illegible] 2.5p.

A sharp fall in Cookson's interim profits had been anticipated and the [illegible] gained a penny [illegible] 129p. However, observers are divided [illegible] company's prospects, and the range [illegible] forecasts for next year's full profits [illegible] £90m and £155m.

Interim figures for Court[illegible] only [illegible]ginally ahead [illegible] but the increase in the dividend signalled [illegible] for next [illegible] and the [illegible] jumped 14 [illegible] 410p.

Etam [illegible] 312p on [illegible] bid speculation. The [illegible] have [illegible] by [illegible] than 15 per [illegible] since last week's [illegible] that Oceana, of [illegible] Africa, had gained only 33.6 per cent of the company in its 185p per share offer. Wickes was also sought after as it rose 6 to 70p.

Booker lost 4 to 472p after announcing interim profits up £1.7m at £37.8m, in line with analysts' forecasts. The shares initially moved ahead but then retreated as the company expressed caution on catering, distribution and the salmon price. Analysts [illegible] their [illegible] for [illegible] full [illegible] slightly and [illegible] now in a [illegible] £112m against £110m [illegible] £115m previously.

Dalgety slipped 9 to 429p on unease before its final results [illegible] September 18. Profits of [illegible] £110m [illegible] expected, compared with [illegible] last time.

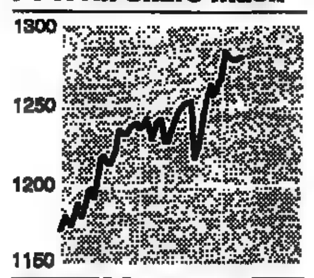
Sidlaw, [illegible] Scottish-based group which provides logistical services to the oil and gas drilling industry, moved up a further 6 to 206p.

British Airways advanced 9 to 190p as 8.5m shares changed hands amid widespread reports of buying by UBS Phillips & Drew and scattered suggestions of interest by European institutions. Turnover was boosted by a late trade of 4m shares which was recorded on [illegible] 193p.

MARKET REPORTERS:
[illegible] John, [illegible] Kibazo,
Jim McCallum,
Steve Thompson.

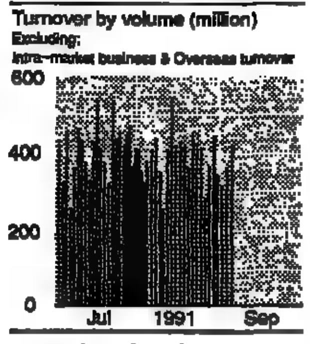
[illegible] ing the FT-Actuaries [illegible] Indices and London [illegible] Page 22.

FT-A All-Share Index



Equity [illegible] Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



NEW HIGHS AND LOWS FOR 1991

NEW HIGHS [illegible] BRITISH [illegible] Treas. 8pc 1992, Tr 10½pc [illegible] 10pc 1999, [illegible] Tr.10pc 1994, Tr 9pc [illegible] Tr 9pc '92-96, Cv. 10pc [illegible] 1997, Tr. [illegible]pc 1997, [illegible] 1998, Tr 6¾pc '95-98, [illegible] 1998, Tr [illegible] Ex 12¼pc 1999, [illegible] 10½pc [illegible] Cv 10¼ [illegible], Cv 9pc 2000, Tr 13pc 2000, Tr 10pc [illegible], Tr 14pc '98-01, Tr 11½pc '01-04, [illegible] 5½pc '08-12, Tr 2pc IL 1996. BANKS (1) [illegible] Trust. BREWERS (4) Allied-Lyons, [illegible] King, Matthew Clark, Wolv. & Dudley. BUILDINGS (8) Newman-Tonks, Persimmon, Polypipe, Rugby, Vendome Plant, Wilson Bowden. CHEMICALS (4) BTP, Engelhard, Porvair, Rentokil. STORES (12) Brown (N), Casket, Coats Viyella, Courts, Etam, Fine Art Devs., Forminster, Next, Pentos, Specialeyes, T & S. Wickes. ELECTRICALS (10) ACT, Black, Dowding Printing, FKI, Harland Simon, Life Sciences, Macro 4, Menvier-Swain, Microfilm Reprographics, Thorn EMI. ENGINEERING (5) Adwest, BM, Fairey, McKechnie, Spirax-Sarco, Vosper. FOODS (2) Salvesen (Ch), Wardell Roberts. INDUSTRIALS (33) Airsprung Furniture, Avon Rubber, BH Prop., BSS, Baynes (C), Betterware Cons. Prods., Brit. Polythene, Do. 7½pc Prf., Calderburn, Cathay Pacific, Comac, EIS, Faber Prest, Grampian, Johnson Cleaners, Kalon, MITIE, Macarthy, Mayborn, Pentland, Portals, Reckitt & Colman, Do. 9.6pc Cv. Bond, Scapa, Security Archives, Serco, Seton Healthcare, Shanks & McEwan, Sidlaw, Siebe, TT, Vinten, Williams 5½pc Prf.. INSURANCE (1) Refuge. LEISURE (3) Border TV, Central ITV, Scottish TV. MOTORS (3) Cowie (T), Sanderson Murray Elder, Verdy (Reg). NEWSPAPERS (2) Daily Mail A, News Corp., Utd. News. PAPERS (4) Repola, Shandwick, Stat-Plus, Whitney Mackay-Lewis. PROPERTY (2) Evans of Leeds, Slough Ests., Do. 8½pc Prf.. TEXTILES (2) Courtaulds, Readicut. TRANSPORT (3) BAA, Brit. Airways, Tibbett & Britten. TRUSTS (23) Abtrust Prfd. Zero Prf., Barry Stargoest, British Inv., Brunner Inv., Invesco MIM 9pc '95-00, Jersey Phoenix Wrrnts., Jos, Latin American, Law Debenture, M & G, Mid Wynd, Murray Intl., Nth. Brit. Canadian, Rathbone Bros., River & Merc. Amer. Inc., Selective Assets Uns. Ln. 2013, Do. Series II, Stratton, TR Smllr. Cos., Templeton Emrg. Mkts. Wrrnts., Throg Dual Inc., Tor Inc., Tribune. OILS (3) Fairhaven, Pittencrieff, Total B. MINES (2) ACM, Antofagasta.

NEW LOWS (10).
CANADIANS (1) Breakwater Res.. STORES (1) Clinton Cards. ELECTRICALS (2) Applied Holographics, Standard Platform. INDUSTRIALS (2) Davies (DY), Melville. INSURANCE (1) Archer (AJ). PROPERTY (1) Speyhawk. OILS (1) Sceptre Res.. MINES (1) Anglo-Dominion.

FINANCIAL TIMES STOCK INDICES

	Sept 5	Sept 4	Sept 3	Sep 2	Aug 30	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	86.70	86.38	86.39	86.18	85.95	78.61	86.70 (5/9)	82.17 (2/1)	127.4	[illegible]
Fixed Interest	95.33	95.32	95.35	95.27	94.94	86.53	95.35 (3/9)	90.59 [illegible]	105.4 (28/11/47)	[illegible] (3/1/75)
Ordinary Share	2092.5	[illegible]	2096.4	2108.3	[illegible]	[illegible]	[illegible]	1606.3	2108.3	49.4
Gold Mines	[illegible]	[illegible]	[illegible]	150.5	149.5	[illegible]	222.8 (11/7)	127.0 (22/2)	734.7	[illegible]
FT-SE 100 Share	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2679.6 (2/9)	[illegible] (16/1)	2679.6 (2/9/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1196.88	[illegible]	[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	1196.80	[illegible]
Ord. Div. Yield	4.55	4.54	4.53	4.50	4.56	5.78				
Earning Yld % (full)	7.37	7.39	7.38	[illegible]	7.43	12.31				
P/E Ratio (Net)	16.93	16.88	16.91	17.02	16.79	[illegible]				
SEAQ Bargains	28,809	[illegible]	[illegible]	[illegible]	[illegible]	17,917				
Equity Turnover(£m)	-	895.46	791.17	[illegible]	777.5	[illegible]				
Equity Bargains	-	[illegible]	[illegible]	[illegible]	[illegible]	17,764				
Shares Traded (ml)	-	414.0	360.6	315.5	348.8	479.4				

Ordinary [illegible] Index, Hourly changes — Day's High 2098.1 — Day's Low 2090.9

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2093.9	[illegible]	[illegible]	[illegible]	2091.3	[illegible]	2092.8	[illegible]	[illegible]

FT-SE 100, Hourly changes — Day's High [illegible] — Day's Low [illegible]

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2662.2	2661.2	2663.7	2659.7	2661.2	[illegible]	2664.7	[illegible]	[illegible]

FT-SE Eurotrack 200, Hourly changes — Day's High 1197.86 — Day's Low 1194.05

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1195.82	1196.38	1196.51	1196.27	1196.97	1196.75	1197.38

GILT EDGED ACTIVITY

Indices*	Sept 4	[illegible]
Gilt Edged Bargains	[illegible]	[illegible]
5-Day average	[illegible]	77.3

*SE Activity [illegible] †Excluding intra-market business [illegible] turnover.

London report and [illegible] index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
British Land	155	312	-1
BP	3,300	348	
British Steel	959	127½	+1
British Telecom	2,700	[illegible]	-1
Bunzl	3,400	103	-1
Burmah Castrol	1,000	598	+9
Burton	18,000	49¼	+2½
Cable & Wire.	1,500	581	-6
Cadburys	1,300	[illegible]	-1
Calor Group	[illegible]	[illegible]	
Carlton Comms.	[illegible]	[illegible]	+3
Coats Viyella	[illegible]	[illegible]	+8
Comm. Union	157	520	-3
IMI	[illegible]	[illegible]	-1
ICI	917	1346	-16
Inchcape	1,000	394	-1
Kingfisher	1,600	[illegible]	-5
Ladbroke	1,900	[illegible]	-4
Land Securities	146	[illegible]	-½
Laporte	17	[illegible]	-1
[illegible]	606	440	-4
Lloyds Abbey	775	424	+1
Lloyds Bank	3,400	399	+9
LASMO	[illegible]	[illegible]	-4
London Elect.	1,000	212	+6
Lonrho	[illegible]	[illegible]	-1½
Rolls Royce	1,800	[illegible]	
Ryl Bk Scotland	601	188	
Royal Insurance	[illegible]	[illegible]	-2
Scottish & New.	[illegible]	414	+1
Scot. Hydro-Elect.	5,400	114	+2
Scottish Power	8,700	108½	+½
Sears	2,900	[illegible]	-1
Sedgwick	1,000	285	-6
Unigate	258	[illegible]	-2
Unilever	1,300	770	+3
United Biscuits	[illegible]	367	-4
Utd. Newspapers	[illegible]	[illegible]	
Wellcome	[illegible]	735	-4
Welsh Water	[illegible]	[illegible]	+13
Wessex Water	[illegible]	[illegible]	+7
Whitbread 'A'	[illegible]	469	+2
Williams Hdgs.	2,300	[illegible]	+4
Willis Corroon	[illegible]	[illegible]	-2
Wimpey	1,300	137	+6
Yorkshire Elect.	291	341	+2
[illegible]	[illegible]	419	+4

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. [illegible] of one million or more are rounded down.

EQUITY FUTURES AND OPTIONS TRADING

A PROGRAMME trade was executed in the options market yesterday for the first time in almost three years, raising hopes that investor interest is begining [illegible] stir in the depressed traded options market, writes Jim McCallum.

The transaction was spread across 60 stock options and amounted to 3,000 contracts or 3m shares. The programme was weighted towards the sell side. All the options were at-the-money [illegible] which [illegible] them a close substitute for [illegible].

According to Société Générale Strauss Turnbull the trade took a neutral view on [illegible] immediate outlook for the stock market. But the illiquidity in some stock options made some parts of the trade more difficult to execute.

Elsewhere on the options market, buyers of BTR November 390 and 420 puts and sellers of 420 calls helped to depress the shares in the wake of its interim results.

The equity futures market was taking a more cautious outlook on the immediate prospects for the share market after its recent gains.

The September FT-SE closed at 2,632, up 3 points. Its premium to the spot index ended at 19 points, against fair value of 10, which dealers said was neutral to mildly bullish.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five [illegible])

1991 High	1991 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
100	99	Exch 11pc 1991	100	....	11.00	[illegible]
99	96	Treas 8pc 1991	99	....	8.05	[illegible]
101½	100	Treas 12¾pc 1992‡‡	100	....	12.64	[illegible]
99	97	Treas 10pc 1992	99	....	10.01	[illegible]
132½	125	Treas. 2pc IL 1992‡‡	132½	....	2.00	[illegible]
98	95	Treas 8pc 1992 ‡‡	98	+	8.09	[illegible]
100	98½	Treas 10½pc Cv 1992‡‡	100	+	10.47	[illegible]
96	91	Treas 3pc 1992	96	....	3.12	[illegible]
102	100	Exch 12¼pc '92	102	....	12.00	[illegible]
104	102	Exch 13½pc 1992	103	+	13.04	[illegible]
98	94	Treas 8¼pc 1993	98	+	8.42	[illegible]

Five to Fifteen Years (excerpt)

1991 High	1991 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
95	89	Treas 8¾pc 1997‡‡	[illegible]	+	9.16	9.71
122	117	Exch 15pc 1997	121	+	12.31	10.10
99	93	Exch 9¾pc 1998	99	+	9.79	9.79
87	80	Treas 6¾pc 1995-98‡‡	87	+	7.72	9.29
127	121	Treas. 15½pc '98‡‡	127	+	12.17	10.01
110	104	Exch. 12pc 1998	110	+	10.97	[illegible]
99	92	Treas 9½pc 1999‡‡	99	+	9.58	9.69
112	105	Exch 12¼pc 1999	112	+	10.93	9.93
103	97	Treas 10½pc 1999	103	+	10.16	9.84
102	95	Conversion 10¼pc 1999	102	+	10.04	9.85
96	89	Conversion 9pc 2000‡‡	96	+	9.37	[illegible]
117	110	Treas 13pc 2000	117	+	11.11	10.03
101	94	Treas 10pc 2001	101	+	9.88	9.78
118	113	Treas 14pc '98-01	118	+	11.81	10.10
99	92	Treas 9¾pc 2002	99	+	9.80	9.80

BRITISH FUNDS—Contd

1991 High	1991 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
[illegible]	94	Treas 10pc 2003	101	+3	9.86	[illegible]
[illegible]	135	Do 2½pc '03	(78.8)	139	-½	3.93
141	135	Do. 2pc '06	(69.5)	141	-½	4.04
129	124	Do. 2½pc '09	(78.8)	129		4.06
133	128	Do. 2½pc '11	(74.6)	133	-½	4.08
110	105	Do. 2½pc '13	(89.2)	110		4.11
117	113	Do 2½pc '16	(81.6)	117	-½	4.07
113	109	Do 2½pc '20	(83.0)	112½	-½	4.08
95	91	Do. 2½pc '24‡‡	(97.7)	93½	-½	4.06

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect [illegible]sing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for December 1990: 129.9 and for July 1991: 133.8.

INT. BANK AND O'SEAS

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and [illegible]

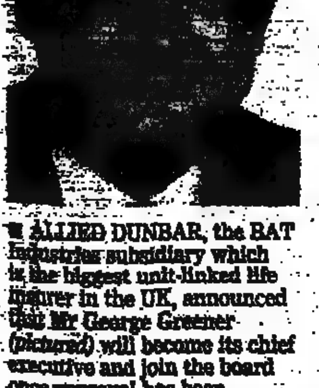
FOREIGN BONDS & RAILS

1991 High	1991 Low	Stock	Price £	+ or -	Div % Gross	Red. Yield
50	50	Greek 7pc Ass.	50	...	3.50	17.00
50	50	Do. 6pc 28 Stb. Ass.	50	...	3	16.00
50	50	Do 4pc Mixed Ass.	50	...	2	14.00
55	55	Hung. '24 Ass.	55	...	2.75	13.57
130	120	Hydro Quebec 15pc 2011	130	+	[illegible]	11.11

Continued on next [illegible]

APPOINTMENTS

Chief for Allied Dunbar



■ ALLIED DUNBAR, the BAT Industries subsidiary which is the biggest unit-linked life insurer in the UK, announced that Mr George Greener (pictured) will become its chief executive and join the board once approval has been received from the insurance division of the Department of Trade and Industry.

Mr Brian Garraway, deputy chairman of BAT and currently executive chairman of Allied Dunbar, will remain chairman of the latter's board.

Mr Greener is joining Allied Dunbar with immediate effect from Mars Corporation, where he has been managing director of the UK confectionery business since 1986. From 1990, he has also been responsible for the Mars businesses in five European countries with a combined turnover, including the UK, of about £800m.

■ Mr Roger Kirkland has been appointed director of international sales for SANKYO SEIKI (UK), the recently launched subsidiary of the Japanese group Sankyo Seiki Manufacturing, one of the world's largest manufacturers of precision electronic components.

Before joining Sankyo, Mr Kirkland was responsible for the launch and development of the UK subsidiary of California Peripherals (Caliper).

■ TPS COMMUNICATIONS named Mr Alan Hynes as managing director. Mr Hynes, formerly financial director of LBW, will be responsible for the co-ordination of operations in London and Edinburgh offices.

■ Mr Ted Greey, a director with the Birmingham based stockbrokers and financial advisers Albert E. Sharp, has been appointed chairman of the Midlands and Western Region of the London Stock Exchange.

The Midlands and Western district has been reinstated following the Stock Exchange's current reconstruction of its administrative functions both in London and the regions.

He is taking over as chairman from Mr Ian Wade, who continues to operate as chairman of the private client department of Albert E. Sharp.

Mr Greey was chairman of the Birmingham Stock Exchange in 1975 and of the Midlands and Western Stock Exchange in the 1979-80 period. He was also a member of the London Stock Exchange Council from 1985 to 1988 and chairman of the Regional Council.

■ ROPNER, the engineering, shipping and property group, has appointed Mr Alan P. Theakston as a director of the company. He [illegible] also group [illegible] secretary.

■ BERNARD THORPE, the independent property advisers, [illegible] its recently formed professional services division will be [illegible] by new partner Ms Claire Makin (pictured). This London based division handles [illegible] valuation, Landlord and Tenant, and rating work.

In 1987, [illegible] Makin [illegible] the [illegible] woman partner [illegible] surveyors Richard Ellis. She joins Bernard Thorpe [illegible] Waterhouse where, [illegible] a supervising consultant, she helped [illegible] up [illegible] European network.

■ BEAR STEARNS HOME LOANS named Mr Frank Butler as [illegible] – [illegible] and marketing. [illegible] formerly served with [illegible] National [illegible] Corporation as director [illegible] mortgage [illegible].

■ Mr David Riddle [illegible] been appointed an [illegible] director in [illegible] equity team [illegible] LLOYDS INVESTMENT MANAGERS, with responsibility for the management [illegible] investments in pension fund portfolios. [illegible] previously worked for Barclays de [illegible] Wedd.

■ HILL MARTIN, the London and Bristol-based financial planning and [illegible] management company, has appointed Mr Andrew James as mortgage and [illegible], based in the Bristol office.

Mr James was Swindon branch manager for the Alliance and Leicester Building Society.

■ Mr [illegible], chairman [illegible] Hereford [illegible] Group, is the newly elected [illegible] Birmingham [illegible] GALVANIZERS [illegible]. He urges members [illegible] a lead from European galvanizers in a bid [illegible] win a bigger [illegible] share.

LONDON SHARE SERVICE

Share Prices are available on FT Cityline. [illegible] charged at 36p/minute cheap [illegible] and 48p/minute at all [illegible] times. To obtain your [illegible] Share [illegible] Booklet ring 071-925-2128

AMERICANS

1991 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
33¾	20⅞	Abbott Laboratories	31½	.....	$1.00	–	1.9
385p	257p	♥Allegheny & W 1c	288p	+29	30c	–	6.2
10¼	667p	Amdahl 5c	827p	+8	10c	–	0.7
42¼	25¾	Amer. Cyanamid $5	37¼	–⅜	$1.50	–	2.4
17¾	[illegible]	Amer. Express 60c	[illegible]	[illegible]	92c	–	3.5
24½	15¼	American T & T $1	23¼	+⅛	$1.32	–	3.4
38¾	32½	Ameritech $1	35¾	–⅛	$3.40	–	5.6
26	[illegible]	BankAmerica $1	25¼	+¼	$1.20	–	2.8
35⅝	[illegible]	Bankers N.Y. $1	34½	[illegible]	$1.52	–	8.3
30½	24¼	Bell Atlantic $1	29	–½	$2.52	–	5.1
31¼	25	BellSouth Corp	29	[illegible]	$2.76	–	5.6
11¼	[illegible]	♥Bethlehem Steel $8	[illegible]	+⅛	40c	–	2.2
1839p	1046p	Bowater Inc	1624p	–7	$1.20	–	4.4
[illegible]	[illegible]	CPC Intnl. 25c	[illegible]	[illegible]	$2.00	–	2.2
930p	420p	California Engy	930p	.....	–	–	–
50	28¼	Campbell Soup 15c	48¼	–1¼	$1.16	–	1.4
12¼	[illegible]	Chase Manhattan $12½	12¼	[illegible]	$1.20	–	5.8
[illegible]	5½	Chrysler $6¼	7	–⅛	60c	–	5.1
10⅜	5⅞	Citicorp $1	8⅝	[illegible]	$1.00	–	6.9
25	[illegible]	Colgate-Palmolive $1	24	–⅛	$1.06	–	2.6
928p	438p	Cont'l Bank Corp $4	723p	–8	60c	–	4.9
21⅝	[illegible]	Dana Corp. $1	18	.....	$1.60	–	5.3
1168p	203p	Data General	1122p	–14	–	–	–
22¼	12⅞	Dial Crop. $1.5	21¼	+¼	$1.40	–	3.8
29⅝	20⅜	Dun & Bradstreet $1	25⅝	–¼	$2.16	–	5.0
40	24¼	Eaton Corpn. 50c	[illegible]	[illegible]	$2.20	–	–
8½	5½	Echlin Inc	[illegible]	.....	70c	–	5.3
20¼	[illegible]	FPL Group 1c	[illegible]	.....	$2.40	–	7.3
[illegible]	[illegible]	Fluor Corp 62½pc	[illegible]	[illegible]	32c	–	0.7
23¼	13¼	Ford Motor $1	17⅜	[illegible]	$1.60	–	3.4
[illegible]	[illegible]	Gen. Elect. 63c	[illegible]	[illegible]	$2.04	–	2.8
566p	270p	♥General Host Corp $1	443p	–10	34c	–	4.5
45¼	20⅜	Gillette $1	[illegible]	–¼	62c	–	1.4
18⅛	794p	Hasbro Inc 50c	16	.....	24c	–	0.9
38½	21¼	Honeywell $1½	[illegible]	[illegible]	$1.50	–	2.7
23¼	17⅞	Houston Inds.	22¼	+⅛	$2.96	–	7.9
[illegible]	[illegible]	IBM Corpn $1¼	58¼	[illegible]	$4.84	–	4.9
32½	[illegible]	Ingersoll-Rand $2	[illegible]	[illegible]	$1.32	–	2.7
28⅛	16⅝	Lockheed Crpn $1	24¼	[illegible]	$2.00	–	4.8
2155p	1245p	Lowe's 50c	1978p	–22	56c	–	1.7
18⅜	9½	Manuf. Hanover $1	[illegible]	[illegible]	$3.28	–	11.0
[illegible]	[illegible]	Merrill Lynch $1	24¼	[illegible]	$1.00	–	2.4
33⅞	[illegible]	Morgan (JP) $2½	32⅞	[illegible]	$1.98	–	3.6
44¼	[illegible]	Morris (Philip)	43¼	–⅛	$2.10	–	2.9
46¼	39	NYNEX $1	44½	–⅛	$4.56	–	6.1
89p	15p	♥Pac. Agricultural	15p	.....	–	–	–
[illegible]	11⅞	Pall Corp. 25c	22⅞	–¼	b44c	–	1.1
46¼	33¼	Pennzoil 83 1/3c	[illegible]	[illegible]	$3.00	–	4.5
40½	24⅞	Quaker Oats $5	[illegible]	+¼	$1.56	–	2.6
41¼	[illegible]	Rep NY Corpn $5	[illegible]	–⅛	$1.40	–	2.0
17⅜	12¼	Rockwell Intl. $1	[illegible]	[illegible]	86c	–	3.5
25⅝	[illegible]	Sears, Roebuck 75c	[illegible]	[illegible]	$2.00	–	5.0
34¼	25⅝	Southwestern Bell $1	[illegible]	–¼	$2.84	–	5.1
20¼	[illegible]	Sun Co. Inc. $1	[illegible]	[illegible]	$1.80	–	5.6
27¼	21¼	Tenneco $5	[illegible]	[illegible]	$3.20	–	7.3
40½	[illegible]	Texaco $6.25	[illegible]	+¼	$3.20	–	5.0
26¼	17¼	Texas Instr. $1	[illegible]	[illegible]	72c	–	2.3
*64½	37⅞	Time Warner $1	[illegible]	[illegible]	$1.00	–	1.2
16⅜	8⅞	TRINOVA Corp	[illegible]	+¼	68c	–	2.8
538p	250p	♥Unilab	512p	.....	–	–	–
29⅜	22⅜	Utd. Technologies	27⅞	–¼	$1.80	–	3.8
92p	42p	♥Utilitech Inc	82p	.....	–	–	–
23	18¼	US West	21½	+⅛	$2.08	–	5.7
162p	87½p	Varity Corp	138p	–8	$1.30	–	–
[illegible]	16⅝	Waste Management $1	22¼	[illegible]	44c	–	1.2
2200p	1053p	Whirlpool $1	2126p	–43	$1.10	–	3.1
[illegible]	13½	♥Woolworth $3½	17¼	[illegible]	$1.08	–	3.6

CANADIANS

1991 High	Low	Stock	Price	+ or –	Div Gross	C'vr	Y'ld Gr's
11p	8½p	♥Abbot Energy Corp	10½p	.....	–	–	–
1477p	953p	♥Amer. Barrick Res	1332p	+39	8c	–	0.3
19⅝	13	Bk. Montreal	19⅝	–⅛	$2.12	–	5.6
1015p	536p	Bk. Nova Scot.	1009p	+7	$1.00	–	5.0
831p	639p	♥BC Gas $1	818p	.....	60c	–	3.7
24	17¼	BCE	23	.....	$2.56	–	5.7
10½	647p	♥Brascan	964p	–6	$1.04	–	5.5
36p	10½p	♥Breakwater Res	10½p	–1	10c	–	–
1725p	1180p	Can Imp Bank	1669p	–18	$1.32	–	4.0
11	855p	Can. Pacific	977p	+7	64c	–	3.3
36	30	Do. 4pc Deb £100	35¼	.....	Q4%	–	11.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

For Varity see Americans

BANKS, HP & LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES – Contd

[illegible]

ELECTRICALS

[illegible]

ELECTRICITY

[illegible]

ENGINEERING

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
1075	530	Amer Grp Free A FM20	796	–45	Q10%	0.6	3.7	45.7
*41½	28½	Anglo Utd 20p	37½	.....	g1.6	–	5.7	–
3	1	Antares Group 5p	1½	–	–	–	–	–
138	113	Apollo Metals 10p	118	.....	13.0	4.1	3.4	9.7
13½	2¼	Apollo Watch Prods 3p	2¼	.....	–	–	–	–
39½	26½	Armour Trust 10p	29	+1	r1.35	3.8	6.2	5.6
117	78	Assoc Brit Cnslts 20p	80	.....	6.4	1.4	10.7	9.0
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INDUSTRIALS (Miscel.) – Contd.

1991 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
191	153	Macfarlane Grp	183	+3	[illegible]	2.8	2.9	[illegible]
98	70	Magnolia Group 10p	88	.....	5.4	2.3	8.2	7.2
906	691	Manpower Inc. 1c	717	–27	–	–	–	–
93	73	Marling Ind. 10p	87	+2	4.3	0.8	[illegible]	[illegible]
59	19	Mayborn Group 5p	59	+3	3.8	1.1	[illegible]	13.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

INSURANCES

[illegible]

LONDON SHARE SERVICE

FT Cityline. Calls charged [illegible] 48p/minute at [illegible] To obtain your free Share Code Booklet ring 071-925-2128

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

TRANSPORT—Contd

[illegible]

INVESTMENT TRUSTS

[illegible]

INVESTMENT TRUSTS—Contd

[illegible]

Net asset values supplied by County [illegible] Wood Mackenzie as a guide only.

FINANCE, LAND, ETC

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Contd

[illegible]

Tin

[illegible]

Miscellaneous

High	Low	Stock	Price	+ or -	Div Net	Cvr	Y'ld Gr's
£64¾	£35⅝	Hemlo Gold Mines	64¾	-¼	020c	-	2.3
£11¾	£7⅞	Homestake Mining $1	£9¼	+⅛	020c	-	1.3
61	30	Ivernia West	54		-	-	-
46	35	Kells Mins. Ir5p	35		-	-	-
25	9	Kenmare	11	+½	-	-	-
18	15	Navan Resources	18		-	-	-
99	52	Northgate Expl C$1	67	-1	-	-	-
16	5	North West Expl	9		-	-	-
188	82	Oryx Gold Hldgs	136	+1	-	-	-
23	11	Ovoca Gold IR 2p	13	-1	-	-	-
44	18	Plateau Mining 20p	19		-	-	-
605	404	RTZ 10p	592		19.5	2.2	4.4
11	3½	Thorco Res. Inc	10½		-	-	-
10	4	Vizcaya Hldgs 5p	4		-	-	-
133	118	Young Group 10p	122		5.2	1.8	5.7

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha refers to shares traded through SEAQ by at least two marketmakers and with a normal market size of 2,000 or more, based on experience of how many of its shares are traded in [illegible] ical deal. β Beta refers to all other shares. γ Gamma re[illegible] to other traded instruments.

Highs and lows are based on intra-day mid prices. Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent [illegible] table ACT. Yields are based on middle prices, are gross, ad[illegible] to ACT of 25 per cent and allow for value of declared distr[illegible]n and rights.

Estimated Net Asset Valu[illegible]AV) are shown for Investment Trusts, in pence per share, [illegible] with the percentage discounts (Dis) or premium (Pm -) t[illegible] current pre-closing share price. The NAV basis assumes prior charges at par val[illegible] convertibles converted and warrants exercised if dilution oc[illegible]

● "Tap Stock"
* Highs [illegible] lows marked thus have been [illegible] to allow for rights [illegible]es for cash
† Interim since increased or resumed
‡ Interim since reduced, passed or deferred
‡‡ Tax-free to non-residents on application
◆ Figures or report awaited
♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
◆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
†† Not officially listed.
‖ Price at time of suspension
¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
◆ Merger bid or reorganisation in progress
◆ Not comparable
◆ Same interim; reduced final and/or [illegible]ced earnings indicated
§ Forecast dividend; cover based on earnings updated by latest interim statement.
‡ Cover allows for conversion of shares not [illegible] ranking for dividends or ranking only for restricted div[illegible]
‡ Cover does not allow for shares which may [illegible] rank for dividend at a future date. No P/E usually pr[illegible]ed.
‖ No par value

B.Fr. Belgian Francs. Fr. French Francs. ●● Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other official estimates. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject [illegible]l tax. x Dividend cover in excess of 100 times. y Dividend [illegible]eld based on merger terms. z Dividend and yield include a [illegible] payment: Cover does not apply to special payment. A Net [illegible]nd and yield. B Preference dividend passed or deferred. C [illegible]ian. E Minimum tender price. F Dividend and yield based [illegible]spectus or other official estimates for 1990-91. G Assumed [illegible]nd and yield after pending scrip and/or rights issue. H [illegible]nd and yield based on prospectus or other official estimates [illegible]91. K Dividend and yield based on prospectus or other [illegible]l estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1991. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date.

Abbreviations: xd ex [illegible]ividend; xc [illegible]ip issue; xr ex rights; xa ex all; xd ex capital dis[illegible]ution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or -
Craig & Rose £1	640	
Finlay Pkg. 5p	20	
Holt (Jos) 25p	1975	

IRISH

Stock	Price	+ or -
Cap. 8½% Ln. 2010	£94½	
9pc Cap Ln. 1996	£98½	
Fin. 13% 97/02	£114	
Arnotts	175	
Heiton Hldgs	45	
IRG	138	
United Drug	180	

TRADITIONAL OPTIONS

3-month call rates

Industrials

Stock	p
Allied-Lyons	46
Amstrad	7
Astec (BSR)	[illegible]
BAT	60
BOC Grp.	31
BTR	33
Barclays	38
Blue Circle	24
Boots	30
Bowaters	53
Brit Aerospace	56
British Steel	12
Brit. Telecom.	29
Cadbury's	33
Charter Cons.	45
Comm Union	44
Courtaulds	32
Eurotunnel	50
FKI	[illegible]
FNFC	[illegible]
Gen Accident	[illegible]
GEC	[illegible]
Glaxo	[illegible]
Grand Met.	[illegible]
Guardian	[illegible]
GKN	[illegible]
Hanson	[illegible]
Hawker Sidd	[illegible]
ICI	[illegible]
Ladbroke	[illegible]
Legal & Gen	[illegible]
Lex Service	[illegible]
Lloyds [illegible]	[illegible]
Lucas [illegible]	[illegible]
Marks [illegible]ncer	[illegible]
Midla[illegible]	[illegible]
Nat West Bk	[illegible]
P & O Dfd	[illegible]
Racal Elect.	18
RHM	28
Rank Org Ord	43
Ratners	17
Reed Intnl	36
Sears	8½
SmKl. Beecham A	58
TI	45
TSB	22
Tesco	21
Thorn EMI	64
Trust Houses	23
T&N	25
Unilever	60
Vickers	19
Wellcome	48

Property

Stock	p
[illegible]and	38
[illegible] Secs	3
[illegible]ecurities	45
[illegible]	48
Mountleigh	8½

Oils

Stock	p
Aviva Petlm	3
Brit Petroleum	28
Burmah Castrol	49
Conroy Petlm	20
Gaelic Res	1
Premier	6
Shell	41
Tuskar Res	2
Ultramar	30

Mines

Stock	p
Lonrho	21
RTZ	46

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1,150 a year for each security shown, subject to the Editor's discretion.

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AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH Tel: 071 - 379 - 0444.

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FT MANAGED FUNDS SERVICE

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Stewart Ivory Unit Tst Mgrs Ltd (1200)H

Funds in Court*

Henderson Unit Trust Management Ltd

INVESCO MIM Management Ltd

Allied Dunbar [illegible] Plc

Century Life Plc

Eagle Star Life Assurance Co Ltd

Guardian Royal Exchange

Legal & General (Unit Pensions) Ltd

Manulife Group – Contd.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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N & P Life Assurance Ltd
6-7 Bedford Row, London WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	109 7	115 5	-0 1	-
Pension Managed Fd	109 7	115 5	-0 1	-
Life Deposit Fd	109.1	114 9	..	-
Pension Deposit Fd	115.1	121.2	+0 1	-

National Financial Management Corp PLC
72 Gatehouse Rd Aylesbury, 0296 395539

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed Cautionary	115 3	121 4	+0 2	-
Managed Growth	141 3	148 8	-0 1	-
Managed Opportunity	141 [illegible]	148 8	..	-
NFMC Target Financial	106 [illegible]	112.3	+0.3	-
Pension Funds				
Managed Cautionary	125.5	132.2	+0 1	-
Managed Growth	149 6	157.5	+0 1	-
Managed Opportunity	141.5	149 0	..	-
NFMC Target Mngd Pens	1582 7	1666 0	-1.5	-

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	Yield Gross
Harvester Pension Funds				
Managed	168 7	[illegible]	..	-
UK Equity	181 0	[illegible]	..	-
Overseas Equity	135.3	[illegible]	..	-
Fixed Interest	150 9	[illegible]	..	-
Property	136.0	[illegible]	..	-
Index Linked	149 6	[illegible]	..	-
Deposit	160.7	[illegible]	..	-
With Profits (B)	131 6	[illegible]	..	-

National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

	Bid Price	Offer Price	+ or -	Yield Gross
Managed	363 9	383 1	..	-
UK Equity	465.1	489 6	..	-
Overseas Eq	352.1	370 7	..	-
American	294.5	310.0	..	-
Far East	365 0	384.3	..	-
Property	193 8	204 0	..	-
Fixed Int	266 8	280 9	..	-
Indexed Gilt	159.6	168.0	..	-
Deposit	185 0	194 8	..	-
With Profit	-	-	..	-
Pension Fund (Accum Units)				
Managed	522 2	549 7	..	-
UK Equity	628.0	661 1	..	-
Overseas Eq	584.1	614 9	..	-

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc.	237 4	250 5	-0 6	-
UK Fixed Int Acc.	183 0	193 1	-0 1	-
Intl Equities Acc.	179 4	189 3	-0 1	-
UK Managed Acc.	179 2	189 0	-0.2	-
Property Acc.	224 2	236 6		-
Money Acc.	131 2	138.5	+0 1	-
Special Market Acc.	149 4	157 6	+0 1	-
Japan Equity Acc.	98.5	104 0	+0 6	-
North American Acc.	108 5	114 5	-0 8	-
Pacific Acc.	94.3	99 5	+0 2	-
Technology Acc	126 1	133 1	+0 1	-
Nat Resources Acc.	54 6	57 7	-0 3	-
European Acc.	102.2	107 9	-0.3	-
Residential Prop Acc	96.5	101 8		-
Swiss Equities Acc.	34 0	35 9	-0 2	-
Hong Kong Acc.	68.5	72 3	-0 1	-
UK High Inc Eq Acc.	77 2	81.5	-0 1	-
Int. Fixed Interest Acc.	59 0	62 3		-
Int Managed Acc.	57.3	60.4	-0.1	-
HIP Managed Acc.	121 1	127 7	-0 8	-
HIP Managed II Acc.	104 4	110 1	-0.1	-
HIP Managed III Acc.	111 3	117 4	-0 1	-
Total Investment Bond				
UK Equity Initial		161.3	-0 4	-
UK Fixed Int Initial		124 6		-
Intl Equities Initial		121.2	-0.1	-
UK Managed Initial		122.0	-0 1	-
Property Initial		153 7		-
Money Initial		89 7		-
Special Market Initial		115 9	+0 1	-
Japan Equity Initial		76 5	+0 4	-
North American Initial		84 1	-0 7	-
Pacific Initial		73.1	+0 1	-
Technology Initial		97 8		-
Nat Resources Initial		42 4	-0 2	-
European Initial		91 6	-0 3	-
Residential Prop Init.		92 1		-
Swiss Equities Initial		32 9	-0 1	-
Hong Kong Initial		65 4	-0 1	-
UK High Inc Eq Init.		73 7	-0 1	-
Int Fixed Interest Init.		57 0		-
Int. Managed Init.		55 6		-
HIP Managed Init.		117 6	-0 8	-
HIP Managed II Initial		102.8	-0 1	-
HIP Managed III Init.		110.7	-0 1	-
Broker Funds				
High Performance	75 7	79 8	+0 2	-
Towerhill Mngd Fd Acc.	66 8	70.4		-
YRA Executive Fd.	97 4	102 7	+0 1	-

Eurolife Assurance Group
Eurolife Hse, 16 St John St EC1M 4AY 071-454 1151

	Bid Price	Offer Price	+ or -	Yield Gross
Sterling Eurobond Fd		182.2		-
Intnl Eurobond Fd		177 4		-
Discretionary Fund		125.3		-

Finexco International Ltd
PO Box 193, St Peter Port, Guernsey 0481 713100

	Bid Price	Offer Price	+ or -	Yield Gross
Intl $ Strategy Fd.	$1 106	1 190	+0.013	-
Intl £ Strategy Fd.	£1.331	1.432	+0.010	-

Independent Financial Group PLC
Hornbeam Park, Harrogate, HG2 8QT 0423 873636

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Funds				
APM Managed (SAHL)	175 1	184.3	+1 0	-
APM B I & Growth	114 9	121.0		-
APM Bond Fund (Target)	103 6	109.1		-
APM Unit Bd (S & P)	51 1	54.1	+0.5	-
Pensions Managed Funds				
APM Exclusive Pen (RM)	154 3	162 4		-
APM Mngd Pen (SAHL)	667 9	703 0		-
APM Mngd Pen (Target)	83.2	87.4		-

Lion World Fixed Income Fund
Albert Hse Sth Esplanade, St Peter Port 0481 71[illegible]

Lloyds Intl Money Market Fund Ltd
Sarnia Hse, Le Truchot, St. Peter Port, Gsey 0481 724983

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)

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ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and sterling firm

THE DOLLAR was firm ahead [illegible] today's [illegible] employment report, while sterling had [illegible] good tone despite Wednesday's cut in British [illegible] and expectations of further reductions.

Dollar sentiment [illegible] been [illegible] since the [illegible] failed to gain support from [illegible] strong August purchasing [illegible] (NAPM) [illegible] and July construction spending on Tuesday, but there was a move [illegible] cover short positions yesterday [illegible] of [illegible] employment figures.

A rise to 6.9 from 6.8 per cent in the August unemployment rate [illegible] generally forecast but there are wide variations in expectations [illegible] non-farm payrolls. A similar figure to July's fall [illegible] 51,000 would prompt speculation about lower US [illegible] and weaken the dollar, but most [illegible] looking [illegible] The median [illegible] market forecasts is for a rise of about 50,000.

Comments yesterday by [illegible] John Laware, [illegible] Federal [illegible] Board [illegible] were encouraging. He [illegible] the US [illegible] in [illegible] early [illegible] of [illegible] and predicted that [illegible] national product will expand [illegible] to [illegible] per cent during the second half of the [illegible] [illegible] dollar had improved to DM1.7400 from DM1.7365; to Y135.85 from Y135.45; [illegible] SFr1.5275 [illegible] SFr1.5240; and [illegible] FFr5.9075 from FFr5.9000. On Bank of England figures the dollar's index rose to 66.3 from 66.2.

Sterling [illegible] sign of political [illegible] as [illegible] lation built up about [illegible] possible UK general [illegible] in [illegible] ber. In fact the pound appeared to be supported by the political situation following an opinion poll [illegible] week-end giving the ruling Conservatives [illegible] the Labour Party.

This week's reduction in UK bank base rates and expectations of another cut in the near future have not had an adverse impact on sterling. The market has taken the view that lower rates will increase the chances of the present government remaining in power, [illegible] it therefore reduces [illegible] political risk of holding the currency.

Sterling eased 10 points to $1.6930, but rose to DM2.9450 from [illegible] to FFr10.0025 from [illegible] to [illegible] from [illegible] and to [illegible] from Y229.50. The pound's index [illegible] unchanged throughout at 91.0.

The only change in [illegible] among [illegible] of the European [illegible] mechanism was sterling's [illegible] up [illegible] the Irish punt in [illegible] grid. Trading [illegible] quiet in [illegible] with the D-Mark steady [illegible] middle of [illegible] system and [illegible] franc [illegible] bottom. The D-Mark eased to FFr3.3972 from FFr3.3986 at the Paris fixing.

A [illegible] causing [illegible] tion in currency trading [illegible] present [illegible] yen by [illegible] companies, [illegible] riating funds [illegible] Tokyo [illegible] this month's [illegible] half-[illegible] end. This [illegible] keeping [illegible] relatively firm although there [illegible] no [illegible] independent [illegible] by the [illegible] yesterday.

£ IN NEW YORK

Sep.5	Latest	Previous Close
£ Spot	1.6920-1.6930	1.6945-1.6955
1 month	0.67-0.66pm	0.70-0.68pm
3 months	1.88-1.85pm	1.95-1.92pm
12 months	6.33-6.23pm	6.57-6.47pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

CURRENCY MOVEMENTS

CURRENCY RATES

OTHER CURRENCIES

Malaysia	4.7060 - 4.7140	2.7780 - 2.7800
Mexico	5157.20 - 5161.95	3048.00 - 3049.00
N.Zealand	2.9205 - 2.9240	1.7240 - 1.7260
Saudi Ar.	6.3185 - 6.3955	3.7500 - 3.7510
Singapore	2.9095 - 2.9165	1.7170 - 1.7190
S.Af (Cm)	4.8500 - 4.8615	2.8570 - 2.8600
S.Af (Fn)	5.4125 - 5.5005	3.1950 - 3.2470
Taiwan	45.05 - 45.15	26.60 - 26.65
U.A.E.	6.1865 - 6.2635	3.6715 - [illegible]

* Selling rate

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu Central Rates	Currency Amounts Against Ecu Sep 5	% Change From Central Rate	% Spread vs Weakest Currency	Divergence Indicator
Spanish Peseta	133.631	128.016	-4.20	5.66	73
Italian Lira	1538.24	1532.18	-0.39	1.62	26
Belgian Franc	42.4032	42.2809	-0.29	1.51	20
Dutch Guilder	2.31643	2.31375	-0.12	1.34	12
D-Mark	2.05586	2.05437	-0.07	1.29	13
Sterling	0.696904	0.697287	0.05	1.16	-2
Irish Punt	0.767417	0.768130	0.09	1.12	2
Danish Krone	7.84195	7.92856	1.10	0.11	-44
French Franc	6.89509	6.97907	1.22	0.00	-60

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate. Adjustment calculated by Financial Times.

POUND SPOT - FORWARD AGAINST THE POUND

Sep 5	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6900 - 1.6970	1.6925 - 1.6935	0.67-0.65cpm	4.68	1.90-1.87pm	4.45
Canada	1.9290 - 1.9365	1.9320 - 1.9330	0.35-0.26cpm	1.89	0.85-0.72pm	1.62
Netherlands	3.3125 - 3.3295	3.3125 - 3.3225	[illegible]	1.13	[illegible]	0.90
Belgium	60.45 - 60.80	60.55 - 60.65	13-6cpm	1.88	24-14pm	1.32

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS RATES

S Fr.	[illegible]	0.655	[illegible]	[illegible]	[illegible]	1
H Fl.	0.301	0.510	0.888	[illegible]	3.014	[illegible]
Lira	0.455	[illegible]	1.341	[illegible]	[illegible]	1.177
C $	0.517	[illegible]	1.524	[illegible]	[illegible]	1.337
B Fr.	1.650	2.794	4.860	[illegible]	[illegible]	[illegible]
ECU	[illegible]	1.181	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] per 1,000: French Fr. per 10: Lira per 1,000: [illegible]

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS · LIFFE US TREASURY BOND FUTURES OPTIONS · LIFFE BUND FUTURES OPTIONS · LIFFE EURODMARK OPTIONS · LIFFE EUROFRANC OPTIONS · LIFFE SHORT STERLING OPTIONS · LONDON (LIFFE) · CHICAGO · PARIS

POUND - DOLLAR

BASE LENDING RATES

Beneficial Bank	11	● Hambros Bank	10.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Hampshire Trust Plc	13.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	Heritable & Gen Inv Bnk	10.5	Western Trust	10.5
CL Bank Nederland	10.5	● Hill Samuel	10.5	Westpac Bank Corp.	11
Citibank NA	11	C. Hoare & Co.	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Hongkong & Shanghai	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5	● Members of British Merchant Banking & Securities Houses Association.	
Comm.Bk.of London Plc	10.5	Lloyds Bank	10.5		
		Meghraj Bank Ltd	10.5		

MONEY MARKETS

London rates ease

INTEREST RATES [illegible] on [illegible] London money market [illegible] terday as speculation [illegible] ued that [illegible] UK [illegible] government [illegible] creating an opportunity to hold a general election this year.

[illegible] was suggested that this may involve another [illegible] in bank base rates around the time of the Conservative Party conference and publication of September's UK retail price index in October.

Next Friday's data are expected to show that August year-on-year inflation fell to around 4.7 from 5.5 per cent and for September it is hoped the figure will be under 4 per cent.

UK clearing bank base lending rate
10.5 per cent
from September 4, 1991

Three-month sterling interbank declined [illegible] from 10$\frac{1}{16}$-10$\frac{3}{16}$ per cent and 12-month money was quoted at 10¼-10$\frac{3}{16}$ against 10½-10½ per cent.

[illegible] of short sterling futures advanced in fairly active trading [illegible] Liffe. September delivery rose to 89.69 from [illegible] and December climbed to 90.16 from 90.10, pointing towards a three-month interbank offered [illegible] of less than 10 per [illegible] by the [illegible] the year.

Day-to-day [illegible] was [illegible] very [illegible] supply on the cash market, but [illegible] the shortage was absorbed by an early round of official help. The Bank of England initially forecast a shortage of £1,550m. This was revised to £1,500m at noon and to £1,450m in the afternoon. [illegible] assistance of £1,450m was provided.

An early round [illegible] help [illegible] offered and [illegible] that time the authorities bought £1,270m bills, including £784m outright, by [illegible] £198m Treasury bills in band 1 at 10⅞ per cent and £586m bank bills in band 1 at 10⅞ per cent. Another £486m bills were purchased for resale to the market in equal amounts on September 25 and 26 at an interest rate of 10$\frac{7}{8}$-10$\frac{15}{32}$ per cent.

There was no further [illegible] lunch, but in the [illegible] £180m bank bills were bought in band 1 [illegible] 10⅞ per [illegible]

Bills maturing in official hands, repayment [illegible] and a take-up of Treasury bills drained £1,176m, with [illegible] unwinding [illegible] repurchase agreements [illegible] bills absorbing £107m, exchequer transactions £5m, a rise in the note circulation £85m and bank [illegible] £165m.

In Frankfurt [illegible] money remained [illegible] per [illegible] Conditions are expected to tighten from September [illegible] when [illegible] payments [illegible] liquidity from the banking system.

FT LONDON INTERBANK FIXING

MONEY RATES

LONDON MONEY RATES

MONEY MARKET FUNDS

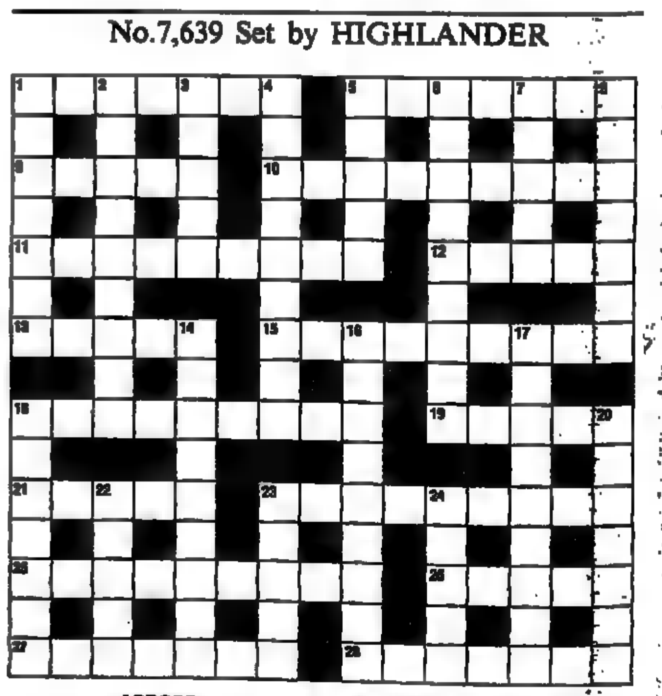
Money Market Trust Funds

Money Market Bank Accounts

JOTTER PAD

CROSSWORD

No.7,639 Set by HIGHLANDER



ACROSS

1 [illegible] time to display [illegible]

5 Leave mooring abandoned (4,3)

9 It imitates [illegible] or backing [illegible]

10 Complete [illegible] on Church [illegible] (9)

11 European one irritated still? (9)

12 What [illegible] animal [illegible] (5)

13 [illegible] Bill have [illegible] insist [illegible] being precise (5)

15 [illegible] across and measure the table (9)

18 It came up north, needing change of air (9)

19 [illegible] play [illegible] (5)

21 African contribution [illegible] front-line ground forces (5)

23 Instead of having qualified viva voce, lost by default (9)

25 To the French a cheese; to Italians initially [illegible] plant (9)

26 Hollywood actor's first break – appearing in The Tempest (5)

27 End it as replacement (7)

28 Confused as to the dangerous situation (3,4)

DOWN

1 Sent, they [illegible] by smoke (7)

2 Elevated situation of capital [illegible]

3 Reserved one washroom key (5)

4 Key bulletin written so [illegible] appear enthusiastic (9)

6 Hit reported on top of the river building (9)

7 At one time old film certification carried weight (5)

8 [illegible] point made [illegible] all-run[illegible] over starts [illegible] Epsom races (7)

14 Beat [illegible] use combined stall (9)

16 Type of insect, bird and fish (9)

17 Back farm vehicle on to flat area which is easily worked (9)

18 [illegible] – a dig by one from India (7)

20 Ordered the best but it's tied in [illegible]

22 English (originally Spanish) [illegible] the [illegible]

23 Entertained, with time to eat outside (5)

24 Foreign serviceman in the ascendant crew (5)

Solution to Puzzle No.7,638

WARDEN CLAPTRAP
INDIAN DISORDER
PERILOUS TORRID
TIED UNBALANCED
DISCONTENT DUMP
SPRING MANEATER
INITIATE CHEERS
SKELETON CLOSED

WORLD STOCK MARKETS

CANADA

TORONTO

3:00 pm prices September 5

MONTREAL

3:00 pm prices September 5

Total Sales 8,885,700 shares

INDICES

NEW YORK

DOW JONES	Sep 4	Sep 3	Aug 30	Aug 29	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
◆Industrials	3008.50	3017.67	3043.60	3049.64	3055.23 (28/8)	2470.30 (9/1)	3055.23 (28/8/91)	41.22 (2/7/32)
Home Bonds	96.12	96.11	96.20	96.29	96.29 (29/8)	91.30 (16/1)	96.29 (29/8/91)	54.99 (1/10/81)
Transport	1190.06	1196.76	1212.27	1212.09	1241.89 (3/6)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	207.25	207.12	208.25	208.63	220.89 (16/4)	195.17 (10/7)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High 3034.66 (3066.64) Low 2990.83 (3013 64)

STANDARD AND POOR'S

	Sep 4	Sep 3	Aug 30	Aug 29	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	389.97	392.15	395.43	396.47	396.64 (28/8)	311.49 (9/1)	396.64 (28/8/91)	4.40 (1/6/32)
Industrials	463.46	466.39	470.56	472.01	472.01 (29/8)	364.90 (9/1)	472.01 (29/8/91)	3.62 (21/6/32)
Financial	31.49	31.62	31.89	32.01	32.24 (14/8)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	213.95	215.13	216.69	217.12	217.17 (28/8)	170.97 (9/1)	217.17 (28/8/91)	4.46 (25/4/42)
Amex Mkt. Value	369.99	371.52	372.13	370.95	373.40 (18/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	517.92	520.91	525.68	526.39	526.39 (29/8)	355 75 (14/1)	526.39 (29/8/91)	54.87 (31/10/72)

	Aug 30	Aug 23	Aug 16	year ago (approx.)
Dow Industrial Div. Yield	3.01	3.01	3.08	4.16

	Aug 28	Aug 21	Aug 14	year ago (approx.)
S & P Industrial div. yield	2.63	2.69	2.70	3.24
S & P Indl. P/E ratio	21.71	21.35	21.31	15 47

NEW YORK ACTIVE STOCKS

Wednesday	Stocks traded	Closing price	Change on day
Browning Ferris	3,775,000	20½	- 1⅛
First Bank Sys	2,966,700	20⅞	- 1
Amer T & T	2,310,700	39⅜	+ ⅛
Pepsico	2,230,400	31⅛	- ⅞
Westinghouse	1,999,500	22⅜	- ⅝
Waste Man	1,640,100	37½	- ½
IBM	1,601,400	98⅝	+ ⅝
Boeing	1,905,300	50½	+ ⅞
Syntex	1,417,000	43⅝	- ½
Telefonos	1,367,100	37⅛	- ¼

TRADING ACTIVITY

† Volume Millions	Sep 4	Sep 3	Aug 30
New York SE	158.381	135.437	125.830
Amex	11.657	13.016	11.646
NASDAQ	154 069	134.328	129.403
NYSE			
Issues Traded	2,070	2,082	2,074
Rises	559	604	792
Falls	1,021	957	741
Unchanged	490	521	541
New Highs	48	89	76
New Lows	11	10	9

CANADA

TORONTO	Sep 4	Sep 3	Aug 30	Aug 29	1991 HIGH	1991 LOW
Metals & Minerals	3022.42	3031.96	3081.75	3101.42	3299.99 (18/7)	2632.06 (9/1)
Composite	3486.80	3504.86	3517.92	3514.88	3582.07 (7/6)	3161.95 (15/1)
MONTREAL Portfolio	1849.57	1857.33	1853.53	1866.64	1903.86 (7/6)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Sep 5	Sep 4	Sep 3	Sep 2	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1571.7	1566.7	1568.4	1578.9	1591.3 (7/8)	1204.5 (16/1)
All Mining (1/1/80)	665 9	666.4	670.3	659 9	707.2 (24/7)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	480.45	474 41	471.78	470.68	534.81 (16/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1140 05	1144 08	1139.95	1132.26	1212.15 (17/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	372.13	372.48	373 43	373.21	380.04 (2/8)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	946.8	950.2	965.5	968 8	1186 9 (8/4)	890.5 (23/1)
FRANCE						
CAC General (31/12/82)	488 68	488.54	490.54	488.38	494 95 (12/8)	394.88 (15/1)
CAC 40 (31/12/87)	1868 67	1860.82	1873.18	1863.52	1874 81 (11/6)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	681.57	681.92	687.30	687 94	717.43 (17/6)	570.48 (15/1)
Commerzbank (1/12/53)	1923.5	1923.1	1934.1	1930.7	2035.2 (31/5)	1612.5 (15/1)
DAX (30/12/87)	1647.17	1647.91	1655.64	1650 46	1715.80 (11/6)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3990.16	4006.45	4025.07	4023.54	4079.01 (14/8)	2984 01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1453.97	1453.83	1451.56	1451.03	1520.65 (15/3)	1114 86 (25/1)
ITALY						
Banca Com. Ital. (1972)	555.29	556.81	555.48	552.96	619.38 (3/6)	486 26 (29/1)
JAPAN						
Nikkei (16/5/49)	22499 65	22402.69	22469.80	22469 01	27146.91 (18/3)	21456 76 (19/8)
Tokyo SE (Topix) (4/1/68)	1749.39	1739.69	1744 15	1749 70	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	2742.14	2748.03	2755 66	2755.30	3423.45 (10/5)	2473.52 (28/1)
MALAYSIA						
KLSE Composite (4/4/86)	562.50	561.83	560.05	559.09	635 02 (29/5)	470 41 (16/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	283.0	282 0	281.8	281.2	284 8 (5/6)	221.4 (16/1)
CBS All Shr (End 1983)	201.1	200 4	200.5	199 8	203.1 (5/6)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	774.31	774.96	778.34	786.59	793.53 (26/8)	610 45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1014 44	1013.90	1022.00	1015.27	1183.40 (29/5)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	389.27	388.55	387.68	386 79	422.43 (26/4)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1154.0§	1168.0	1121.0	1094 0	1469 0 (5/7)	971.0 (25/2)
JSE Industrial (28/9/78)	4138.0§	4123 0	4105.0	4087 0	4167.0 (14/8)	3029 0 (16/1)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	674 81	683.54	675.67	675.12	763.10 (6/8)	590.57 (22/6)
SPAIN						
Madrid SE (30/12/85)	274.35	274 62	274.55	274 80	289.22 (18/3)	213.70 (14/1)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	1065 0	1061.5	1078.5	1090 4	1149.8 (11/7)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	764.2	763 3	764.5	764 8	769.2 (29/8)	590 4 (14/1)
SBC General (1/4/87)	629.0	628 9	630.6	631.2	638 0 (31/5)	487.1 (14/1)
TAIWAN**						
Weighted Price (30/6/66)	4499.50	4508.26	4625.59	4673 68	6305.22 (9/5)	3316.26 (15/1)
THAILAND						
Bangkok SET (30/4/75)	723 06	713.71	720 78	723.08	908.13 (19/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl (1/1/70) ($)	504 6*	504.4	504.5	506.3	529.2 (17/4)	439 1 (16/1)

**Saturday August 31: Taiwan Weighted Price 4545 53 Korea Comp Ex. 683.11.
§ Subject to official recalculation. *Calculated at 15.00 GMT
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX – 1,000, JSE Gold – 255 7, JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Thursday 5 September 1991

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Mitsubishi Mat	14.6	585	-20	Sumitomo Heavy	11 8	688	+ 33
NKK	14.2	400	+ 13	Ishikawajima	9.6	667	+ 28
Osaka Gas	13.3	574	+ 14	Mitsui Shipbldg	8.1	592	+ 13
Nippon Steel	12.5	428	+ 8	Meiji Seika	7.6	938	+ 9
Hitachi Zosen	12.2	608	+ 19	Mitsubishi Heavy	7 3	725	+ 2

3:30 pm prices September 5

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
16⅞	9¼	AAR Corp	0.48	0.03	17	588	16⅛	15⅞	16	
18⅜	14½	A L Labs A	0.16	0.01	18	73	16¼	16¼	16¼	
55¾	40⅞	AMP Inc	1.44	0.03	20	1164	53¾	52¾	53½	+1½
68⅞	44¼	AMR			11	3866	58¼	57⅛	57⅞	+½
2⅝	1¼	ARX			12	100	1¼	d1¼	1¼	
58	41½	ASA	3.50	0.08	13	175	45¼	45	45	-½
55¼	39¼	Abbott Lab	1.00	0.02	22	3621	54½	53⅝	54⅛	+½
14⅝	9⅞	Abitibi Pr	0.50	0.03	26	14	14⅞	14½	14⅜	
11⅝	10⅞	ACM Gvt In	1.26	0.11		379	11⅜	11¼	11⅜	+⅛
9⅞	8¾	ACM GvOpp	1.01	0.11		41	9½	9⅜	9⅜	
9¼	8¼	ACM Gvt Sp x	1.01	0.11		473	9⅛	9	9	
11	9⅞	ACM Gvt Se	1.26	0.12		364	10¾	10⅝	10⅝	-⅛
8⅝	7⅝	ACM Man x	1.01	0.12		633	8½	8⅜	8½	+⅛
12⅞	11½	ACM Managd	1.35	0.11		136	12¼	12⅛	12¼	
7½	4¾	Acme Cleve	0.40	0.06	17	17	6⅝	6½	6⅝	+⅛
6	3⅞	Acme Elect			2	15	4½	4½	4½	-⅛
40	22¾	Acuson			22	317	33½	32⅞	33	-½
19⅛	14¼	Adams Expr	0.73	0.04	0	62	u19⅛	18⅞	19	-⅛
20⅛	17½	Adobe R2Pf	2.40	0.13		229	19	18½	19	+⅝
9¼	6⅝	Adobe Res			50	32	7½	7½	7½	
38⅞	18	Ad Micro			18	37	36½	36½		-½
14¼	4⅝	Ad Micro P	3.00	0.28	19	3437	12	11⅝	11⅝	-⅜
6⅛	2¼	Advest Grp	0.16	0.05	5	38	3⅜	3⅜	3⅜	
49⅛	33⅞	Aetna Lf	2.76	0.08	7	3616	34⅜	d33¾	34¼	-¼
10⅝	6⅞	Affil A	0.24	0.03	48	112	8¼	8⅛	8¼	
20⅞	12	Ahmanson	0.88	0.05	10	1464	17⅞	17½	17⅝	-⅛
13⅞	2⅞	Aileen Inc			16	227	11⅞	11½	11⅝	
74⅛	51⅜	Air Pr Chm	1.56	0.02	14	975	68	66¾	67⅞	+⅞
30	16⅞	Airborne Frt	0.30	0.01	18	353	28⅜	28¼	28¼	-⅛
18⅞	12½	Airgas Inc			100	41	18⅛	17¾	18⅛	+⅜
15¼	10	Airlease	2.06	0.17	6	23	12	11⅞	11⅞	-⅛
96½	88¼	AlaPw6.16 x	6.16	0.06		2	96	95	96	+1

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

- X - Y - Z -

1991 High	1991 Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Chg
51½	43¼	Xerox4.125 x				73	u51½	51½	51½	
21½	14¼	Xtra 1.94				5	21½	21½	21½	
24⅞	14¼	Xtra Corp	0.72	0.03	79	75	23⅞	23½	23⅞	+⅛
24¼	21¼	Yankee Egy x	1.60	0.07	11	97	23½	22⅞	23	-⅜
1½	⅝	Zapata			3	16	⅞	⅞	⅞	
9⅝	5½	ZenithElec			1	83	6	5⅞	6⅞	
18½	12	Zenith Nat	1.00	0.06	97	15	16¼	16⅛	16⅛	-⅛
8¼	4½	Zenix Inc	0.84	0.14		52	6	5⅞	5⅞	-⅛
16¼	10⅞	Zero Corp	0.40	0.03	17	615	15	14⅞	14⅞	
41⅞	29½	Zurn Ind	0.88	0.02	15	119	37⅛	35½	36½	-½
13½	10⅛	Zweig Fund	1.12	0.09		359	12¼	12	12¼	+⅛
10⅛	8½	Zweig Tatl x	0.88	0.09		584	u10⅛	10	10⅛	

Price data supplied by Telekurs.

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

3:00 pm prices September 5

NASDAQ NATIONAL MARKET

3:00 pm prices September 5

AMERICA

Trading subdued in anticipation of jobs data

Wall Street

TRADING WAS subdued for a second day on Wall Street yesterday, as the market continued to wait for today's employment figures for August which should give more evidence of the state of the US economy, *writes Karen Zagor in New York.*

At 1.30 pm, the Dow Jones Industrial Average was down 2.69 at 3,005.81 in moderate volume, while the Standard & Poor's 500 was off 0.58 at 389.39 at 1 pm. Declining issues led advancing stocks by a ratio of four to three. On Wednesday, the Dow fell 9.17 to 3,008.50.

Among featured issues, IBP tumbled $2½ to $16½ in active trading after Occidental Petroleum said that it would sell its 51 per cent stake in the company in the form of a rights offering that will allow holders to buy IBP shares for $15 apiece. Shares in Occidental eased $½ to $24⅛.

Borden dropped $2¼ to $33⅝ on expectations that the company's third and fourth quarter earnings will decline if recessionary pressures continue.

Shares in Heinz slid $1¾ to $41¼ on reports that analysts expected the price to slide. Recent takeover rumours have bolstered the stock.

International Specialty Products dropped $1⅞ to $16 after Merrill Lynch cut its earnings estimates for the company. Merrill Lynch, which was underwriter for the company's initial public offering in June, is concerned about flat sales.

Aydin dropped $2 to $23¾. A 500,000-share offering was priced at $23½.

Browning Ferris, the second biggest US waste management company whose stock has been hit by its gloomy fourth quarter earnings projections, recouped some of its recent losses, adding $⅞ to $21¾. Waste Management, however, eased $½ to $37.

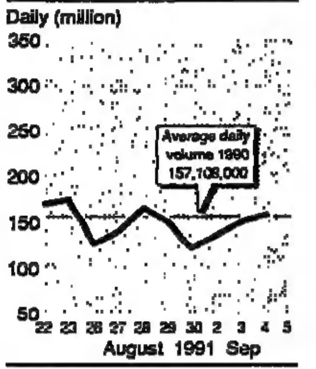
Among active blue chips, PepsiCo fell $1⅛ to $30 and Boeing climbed $1⅛ to $51⅝.

In the secondary market, the Nasdaq composite was 1.28 lower at 516.64 at midsession. Centocorp and Xoma led trading for a second day. Centocorp surged $4½ to $45 in the wake of a Food and Drug Administration advisory panel meeting on Wednesday, which recommended approval of Centocorp's anti-bacterial drug.

Xoma, which hopes for approval of a competing product, added $¼ to $15¾ after dropping $1¼ a day earlier on news that the panel was not ready to recommend its drug.

Quiksilver, a California sportswear company, slid another $¼ to $11 after dropping $1⅞ on Wednesday. The retailer warned that fourth quarter net income could be as much as 60 per cent below last year's levels, thanks to the soft retail environment and other factors.

NYSE volume



Canada

THE TORONTO composite index was stuck in a narrow, four-point trading range by midsession yesterday.

The index fell 1.5 to 3,485.4, after fluctuating between 3,483.27 and 3,486.30. Declines led advances by 208 to 164 in volume of 11.8m shares valued at C$141.2m.

Seagram recovered C$⅛ to C$127⅝ after tumbling C$5⅛ following disappointing second quarter earnings on Wednesday. Canadian Imperial Bank of Commerce rose C$⅝ to C$32⅝ although its third quarter earnings eased from 97 to 96 cents per share.

French drug sector perks up on reform proposals

The rise has surprised some analysts, who expect any benefits to be long term, writes William Dawkins

FRENCH DRUG company shares received a tonic recently from government plans to reform pharmaceutical policy.

If adopted, the plans, which were drawn up by Mr Bruno Durieux, the health minister, and Mr Jean-Louis Bianco, social affairs minister, will lead to a rise in drug prices, curb drug makers' publicity budgets and encourage them to spend more on research and development (R&D).

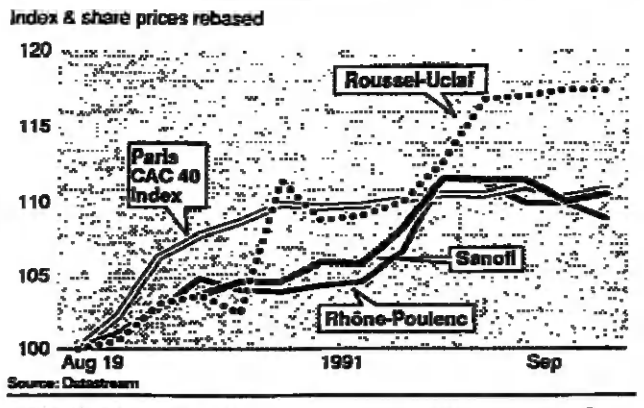
The broad aim is to encourage the French pharmaceutical industry – which is still more dependent on its home market than are its main counterparts – to be more competitive internationally. It also aims to limit domestic drug consumption, which is among the highest per person in the world.

General outlines were discussed at a cabinet meeting at the end of last month. Details are due to be settled at next week's cabinet session for presentation to parliament in October, so that they can take effect next year.

The proposals received an enthusiastic response in a radio interview last week from Mr Loïk Le Floch Prigent, chairman of Elf Aquitaine, the oil and gas group which controls Sanofi. "If we could ever find an intelligent and negotiated way to reduce promotional expenses, we would be delighted because we would increase our research spending," he said.

This was accompanied by a share price rally across the sector, surprising some analysts who argue that the benefits will not show in company profits for several years.

Yesterday, the share prices of Sanofi and Rhône-Poulenc stood 2 per cent higher than their August 29 level, in spite of declines this week. Over the same period, the Institut Mérieux share price was up 9 per cent, Roussel-Uclaf 7 per cent and Synthélabo 5 per cent, compared with a rise of only 0.6 per cent in the CAC 40 stock market index.



Source: Datastream

The scheme comes as a relief to the mostly state-controlled French drugs industry, after a period when the government has been using it to help curb this year's social security budget deficit, by imposing tax increases on drug publicity spending and price cuts for some pharmaceuticals. The government has also removed so-called anti-asthenics or tonics from the list of drugs for which patients can claim state reimbursements, which still remains – with roughly 12,000 products – nearly twice the length of the UK list of reimbursable pharmaceuticals.

Under the proposals, prices of drugs – one of the few products still subject to price controls in France – would be more in line with European levels, says the prime minister's office. This would apply to "innovative drugs" only, but implies significant increases considering that French drug prices are on average 30 per cent below the European Community average, according to one survey.

It is understood that companies would have more flexibility in deciding prices, by being given an average ceiling for their whole range of products, rather than being given set prices for individual drugs.

It is suggested that the increase in the state health bill created by price rises for reimbursable drugs would be offset by another round of delisting of non-essential medicines.

The government also says prices would be fixed in order to encourage R&D, which stockbroking analysts take to mean that companies with high R&D would be allowed to charge more for their drugs.

In addition, the state would limit individual companies' promotional budgets, which currently average 18 per cent of sales across the industry, as against R&D spending of 12.5 per cent of turnover. There would also be a central drug licensing agency.

Mr Andrew Tivernen, analyst at James Capel, argues that the recent share price rise is overdone and that drug companies will feel the effects of this year's health spending curbs before the wider margins implied by the price reform package come through.

If the plan succeeds in improving French drug companies' research, this could make the larger players more attractive partners for the kinds of international alliances they are already making in growing numbers, argues Mr Mark Tracey, analyst at Paribas. This includes, over the past year alone, Rhône-Poulenc's acquisition of Rorer, of the US, and Sanofi's co-operation deal with Sterling Drug, of the US.

Another likely consequence is a reduction, possibly through mergers and takeovers, in the number of small and medium-sized French drug producers, say analysts. The victims will be unable to support large research bills and will be dependent on the kind of non-essential drugs that the government may have in mind for removing from the list of reimbursable products.

EUROPE

Frankfurt seeks excitement in steels and 'critical mass'

BOURSES MARKED time yesterday, although Wall Street's opening rise helped some of the late-closers to end at their best levels of the day, *writes Our Markets Staff.*

FRANKFURT virtually stood still, the FAZ index losing 0.35 to 681.57 at midsession and the DAX 0.74 to 1,647.17 at the close. Volume rose from DM2.7bn to a still-derisory DM2.9bn.

Wednesday's news that the IG Metall union is to seek a 10 per cent wage rise for Volkswagen workers – after the 10.5 per cent claim on which negotiations began with insurance companies this week – did not seem to hurt VW, which rose 20 pfg to DM385.50.

However, Mr James Cornish, a strategist with County Natwest, said that the VW claim could be more successful than some, given the launch of the new Golf model. He added that there were signs that the German economy is not growing as feebly as some economists had expected in the second half of 1991; and that there could be trouble with the Bundesbank this autumn, given its rise of only 25 basis points in the Lombard rate in August.

There was a flurry in steels, as Hoesch rose DM7.80 to DM300.30 and speculators turned their attention to Klöckner-Werke, rather than the UK's British Steel, as a possible marriage partner.

K-W, too, showed an increase, closing DM3.30 higher at DM148.30. Traders justified this by saying that a merged group would have more critical mass, raising the spectres of 'industrial logic', which afflicted British industrial politics in the 1960s, and 'synergy', which held sway 20 years later.

All this was so exciting that Preussag, which owns the Salzgitter steel operation, rose DM6.50 to DM309 and Thyssen added DM2.30 to DM238.30. Another speculative favourite, tyremaker Continental, put on DM2.60 to DM225.80 for a three-day gain of DM10.80.

FT-SE Eurotrack 100 - Sep 5

Hourly changes							
Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1124.64	1124.87	1125.63	1125.42	1126.17	1126.70	1127.16	1126.92

Day's High 1127.48 | Day's Low 1124.50

Sep 4	Sep 3	Sep 2	Aug 30	Aug 29
1125.48	1128.91	1126.81	1125.84	1124.82

Base value 1000 (26/10/90).

PARIS concentrated on corporate results and forecasts, as the CAC 40 index added 7.85 to close at the day's high of 1,868.67. Turnover was fairly heavy, rising from FFr1.9bn to about FFr2.2bn. The total included FFr580m worth of trading in LVMH as it went ex a one-for-10 scrip issue.

Oil refiners were boosted by Wednesday's first-half figures from Total. The Total share price rose FFr46 or 5.4 per cent to FFr894 in the day's second highest turnover of FFr151m. BP France gained FFr9 or 8 per cent to FFr121 and Esso added FFr32 or 5.4 per cent to FFr625.

Fives Lille jumped FFr30 or 11.8 per cent to FFr284 on unusually strong volume of 109,850 shares, after the holding company forecast 1991 profits of FFr160m rising to FFr250m in 1994, following its loss of FFr236m in 1990.

Michelin, the tyremaker, was also firm, rising FFr6 to FFr124.90 in 345,366 shares.

AMSTERDAM closed at its session high in moderate trading, with the CBS tendency index up 0.7 at 92.5.

Ahold, the retailer, gained Fl 2.60 or 3.3 per cent to Fl 82.50, after it announced a 10 per cent rise in second-quarter net profits.

Internationale Nederlanden, the newly merged banking and insurance group, rose 60 cents to Fl 49.30 before it announced first-half net profits at the top end of analysts' forecasts.

MILAN was flat, the Comit index easing 1.52 to 555.29 as stockbrokers said that settlement of the August trading account, already delayed by one week owing to Milan's latest stock trading scandal, will now take place next week.

Banks settled back as buying interest dried up, BCI falling L70 to L4,800 and Credito Italiano L41 to L2,640. Fiat lost L47 to L5,638; while Italian car sales rose in July and August, Fiat's share of the market fell from 45.3 to 38.3 per cent last month, against 46.6 per cent in August, 1990.

ZURICH was sluggish, although a first-half operating loss of around SFr200m at Oerlikon-Bührle left the arms and engineering group SFr7 lower at SFr405. The Crédit Suisse index rose 0.2 to 534.9.

STOCKHOLM edged higher on foreign blue-chip buying. The Affärsvärlden General index added 3.5 to 1,065.0. Turnover grew from SKr382m to SKr579m, boosted by a SKr179m deal in Volvo B shares, which rose SKr5 to SKr355.

MADRID was barely changed, as the general index slipped 0.27 to 274.35 in light turnover of about Pta9bn.

VIENNA stayed firm on foreign buying, the ATX 18-share index rising another 18.06 to 1,143.97. OMV, the state-controlled oil group, rose Sch21 to Sch1,032 on a 29 per cent rise in first-half profits.

ISTANBUL dropped 3 per cent, with the 75-share index down 93.13 at 2,987.52.

SOUTH AFRICA

GOLD SHARES slipped in Johannesburg after Wednesday's sharp gain. A flat bullion price pushed the all-gold index down 14 to 1,154. The industrial index, however, added 15 to 4,138, leaving the all-share only 7 lower at 3,395.

ASIA PACIFIC

Volume climbs to 450m shares as rates fall

Tokyo

LOWER short-term interest rates and the higher yen supported share prices yesterday, with volume rising above 400m shares for the first time in nearly two months, *writes Emiko Terazono in Tokyo.*

The Nikkei average gained 96.96 at 22,499.65, after a day's high of 22,620.64 and a low of 22,369.67. Volume grew from 350m to 450m shares on activity by foreign investors, arbitrageurs and individuals. Institutional investors were also seen cross-trading to secure profits ahead of the September book closing.

Advances outnumbered declines by 625 to 330, with 161 issues remaining unchanged. The Topix index of all first section stocks put on 9.70 to 1,749.39, and in London the ISE/Nikkei 50 index improved 6.48 to 1,332.24.

Lower short-term interest rates encouraged hopes of an imminent discount rate cut. The overnight call rate, which fell from 7.5 to 7.24 per cent on Wednesday, hovered around 7.25 per cent throughout the day. Traders said this confirmed the central bank's discount rate intentions.

The recovery in volume reflected an improvement in sentiment. Individual investors, who had been net sellers for the past few months, were seen buying in small lots. Foreigners continued to purchase actively.

Large-capital shares were heavily traded on the lower short-term rates. NKK advanced Y13 to Y400 and Ishikawajima-Harima Heavy Industries Y26 to Y667.

Foreigners bought shipbuilders. Mitsui Shipbuilding climbed Y13 to Y592 and Hitachi Zosen Y19 to Y666.

On the negative side, Mitsubishi Material, the most active issue of the day, lost Y20 to Y585 on speculation of lower earnings, after an announcement that it would report revised earnings projections after the market had closed. Trading in the issue was briefly suspended in the afternoon owing to the heavy trading. The company later said pre-tax profits would fall 16 per cent this year; it had previously forecast a 5 per cent rise.

Automobile issues were weaker, hit by a 12.6 per cent year-on-year decline in sales of small cars. Investors saw the new tightened car parking law as an additional negative factor. Toyota Motor fell Y20 to Y1,530 and Honda Motor retreated Y20 to Y1,480.

In Osaka, the OSE average rose 163.23 to 24,646.01. Volume was 86.8m shares, the heaviest since March, on buying of earnings-backed issues and low-priced large-capital stocks.

Rohm, the linear integrated circuit maker, moved ahead Y280 to Y2,880 on reports of an upward revision of earnings for the current year to March 1992 to a 60 per cent rise in pre-tax profits at Y13bn.

Roundup

WITHIN narrow limits, the Pacific Rim put on a mixed performance yesterday.

SEOUL reversed Wednesday's recovery on tight liquidity in the market, rising inflation and an expanding current account deficit. The composite index receded 8.73 to 674.81 in turnover down from Won335bn to Won172bn.

NEW ZEALAND closed off earlier highs, but the NZSE-40 index still added 5.77 at 1,432.15 after an initial burst of foreign buying orders. Turnover expanded from Wednesday's NZ$17.9m to NZ$19.3m.

TAIWAN was narrowly higher in thin trade. The rise was mainly attributed to short-covering and limited bargain hunting as the weighted index inched up 7.11 to 4,515.37 after a loss of 117.33 on Wednesday. Turnover shrank from T$23.2bn to T$14.8bn.

Apart from the failure of the central bank to reduce its rediscount rate, investors were worried about the possibilities of confrontation in an island-wide demonstration to be held this Sunday by the Democratic Progressive Party, Taiwan's largest opposition group.

HONG KONG continued to consolidate, the Hang Seng index slipping 16.29 to 3,990.16 in HK$1.14bn turnover, against Wednesday's HK$1.08bn.

SINGAPORE closed softer, the Straits Times Industrial index losing 4.93 to 1,421.49, and KUALA LUMPUR saw particularly choppy trading, before the composite index ended 0.67 higher at 562.50.

AUSTRALIA finished off the day's high, with the All Ordinaries index 3.7 up at 1,571.1.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY SEPTEMBER 4 1991								TUESDAY SEPTEMBER 3 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (69)	149.29	+0.9	130.66	127.82	134.76	128.50	−0.2	4.85	148.02	129.70	127.20	133.90	126.70	151.58	112.74	143.80
Austria (20)	160.01	+1.4	157.54	154.13	162.51	162.56	+1.2	1.74	177.56	155.59	152.60	160.63	160.65	222.37	154.82	220.22
Belgium (47)	130.43	+0.9	114.15	111.67	117.75	114.99	+0.8	5.15	129.23	113.24	111.05	116.90	114.09	151.20	118.04	141.03
Canada (114)	138.75	−0.7	121.44	118.80	125.26	114.69	−0.6	3.30	139.78	122.48	120.11	126.44	115.44	142.27	126.49	133.64
Denmark (37)	252.30	−0.1	220.82	216.03	227.78	230.26	−0.1	1.54	252.57	221.31	217.05	228.48	230.50	270.56	217.74	256.88
Finland (16)	94.62	−0.7	82.82	81.02	85.43	83.93	−1.0	2.87	95.30	83.51	81.90	86.21	84.76	125.15	89.53	120.79
France (109)	137.42	−0.3	120.27	117.65	124.05	127.18	−0.5	3.49	137.82	120.76	118.43	124.66	127.77	152.28	119.11	138.97
Germany (65)	108.74	−0.4	95.17	93.12	98.17	98.17	−0.6	2.29	109.22	95.71	93.86	98.80	98.80	125.35	94.15	120.97
Hong Kong (55)	166.64	−0.5	145.84	142.67	150.45	166.02	−0.5	4.25	167.45	146.72	143.90	151.48	166.86	169.86	119.62	124.38
Ireland (18)	157.00	+0.2	137.41	134.43	141.74	143.61	+0.2	3.48	156.61	137.23	134.59	141.68	143.30	182.46	132.88	148.52
Italy (77)	72.57	+0.4	63.51	62.13	65.51	70.20	+0.3	3.33	72.25	63.31	62.09	65.36	70.00	88.23	64.76	89.46
Japan (474)	126.73	+0.0	110.91	108.50	114.42	108.50	−0.3	0.78	126.69	111.01	108.87	114.62	108.87	146.97	118.23	124.92
Malaysia (68)	209.37	+0.5	183.24	179.26	189.02	224.33	+0.5	2.55	208.32	182.54	179.01	188.45	223.20	247.78	189.18	220.44
Mexico (16)	1226.13	+0.6	1073.11	1049.81	1106.95	4086.77	+0.6	1.39	1218.77	1067.93	1047.36	1102.53	4062.24	1226.15	534.45	508.45
Netherland (31)	139.27	+0.3	121.89	119.24	125.73	124.33	+0.1	4.31	138.87	121.69	119.34	125.63	124.23	145.73	125.70	138.25
New Zealand (14)	46.94	+1.0	41.08	40.19	42.38	43.33	+0.5	7.03	46.49	40.74	39.96	42.06	43.09	54.64	41.16	61.94
Norway (31)	199.26	−0.4	174.39	170.61	179.90	183.64	−0.5	1.54	199.99	175.24	171.87	180.92	184.52	223.24	178.58	268.63
Singapore (38)	198.20	+1.1	173.47	169.70	178.94	156.87	+1.1	2.27	196.11	171.84	168.53	177.40	155.22	208.25	151.83	173.44
South Africa (61)	240.05	+0.4	210.09	205.53	216.71	170.64	+1.3	3.20	239.20	209.60	205.56	216.38	168.40	258.85	173.00	176.51
Spain (53)	151.88	−0.2	132.92	130.04	137.11	124.67	−0.1	4.31	152.12	133.30	130.73	137.61	124.75	171.12	131.51	150.91
Sweden (25)	187.93	−1.5	164.47	160.91	169.67	175.48	−1.7	2.53	190.81	167.20	163.98	172.62	178.46	204.12	146.60	198.01
Switzerland (58)	92.57	−0.1	81.02	79.27	83.59	87.46	−0.3	2.20	92.70	81.23	79.67	83.87	87.76	100.87	82.17	95.70
United Kingdom (240)	180.92	+0.0	158.34	154.89	163.32	158.34	−0.1	4.85	180.91	158.52	155.45	163.64	158.52	187.44	156.27	163.52
USA (527)	158.33	−0.6	138.57	135.57	142.95	158.33	−0.6	3.06	159.25	139.54	136.86	144.07	159.25	161.02	125.95	130.72
Europe (827)	140.64	−0.1	123.09	120.42	126.96	125.56	−0.2	3.81	140.73	123.31	120.94	127.31	125.83	151.52	126.50	139.87
Nordic (109)	185.02	−0.7	161.93	158.42	167.04	164.24	−0.8	1.97	186.37	163.31	160.16	168.60	165.58	200.81	155.55	200.17
Pacific Basin (718)	128.39	+0.1	112.37	109.93	115.91	110.51	−0.3	1.13	128.30	112.42	110.26	116.07	110.85	145.92	117.88	125.54
Euro − Pacific (1545)	133.57	+0.0	116.90	114.36	120.58	117.23	−0.3	2.25	133.55	117.03	114.76	120.81	117.54	147.68	121.29	131.76
North America (641)	157.05	−0.6	137.45	134.48	141.81	155.38	−0.6	3.08	157.97	138.42	135.77	142.93	156.29	159.86	125.91	130.81
Europe Ex. UK (587)	116.93	−0.1	102.34	100.14	105.56	108.84	−0.3	3.15	117.07	102.56	100.62	105.93	107.12	129.80	103.58	124.90
Pacific Ex. Japan (244)	144.92	+0.4	126.83	124.10	130.84	128.76	−0.1	4.25	144.36	126.49	124.07	130.60	128.84	147.60	111.40	132.12
World Ex. US (1736)	135.53	+0.0	118.62	116.05	122.36	118.67	−0.2	2.30	135.53	118.76	116.48	122.61	118.96	148.16	122.32	132.48
World Ex. UK (2023)	138.53	−0.2	121.24	118.62	125.08	128.35	−0.4	2.33	138.87	121.68	119.35	125.64	128.86	145.77	120.06	127.84
World Ex. So. Af. (2202)	141.57	−0.2	123.90	121.22	127.82	130.81	−0.4	2.58	141.88	124.32	121.94	128.36	131.32	148.86	122.92	130.55
World Ex. Japan (1789)	151.76	−0.3	132.82	129.95	137.03	143.69	−0.4	3.38	152.26	133.42	130.86	137.76	144.23	152.83	126.89	135.19
The World Index (2263)	142.21	−0.2	124.46	121.76	128.39	131.16	−0.4	2.58	142.52	124.88	122.48	128.93	131.84	149.01	123.26	130.82

Latest prices were unavailable for this edition.